S4710-4

MONTANA

ECONOMIC INDICATORS

AN ANALYSIS OF PAST AND PRESENT ECONOMIC TRENDS

STATE OF MONTANA

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Business Week

Employment, Hours and Earnings, and Labor Turnover data produced in cooperation with U. S. Department of Labor, Bureau of Labor Statistics, and the Employment and Training Administration.

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DEFINITIONS

Seasonal Adjustment- A mathematical procedure in which average seasonal fluctuations are removed from the origional data leaving a time series that may be analyzed for underlying trends. Seasonal adjustment will be designated by the terms seasonally adjusted, adjusted, or adj.. All indicators are seasonally adjusted unless noted, in which case the origional data is presented and designated by the terms not seasonally adjusted, raw data, unadjusted, or unadj.

Economic Indicators- Statistical time series whose cyclical characteristics are known and fairly stable, particularly in the timing of their cyclical peaks and troughs relative to business cycles turns. Economic Indicators are used for the interpretation of past, current, and anticipation of prospective business conditions.

Business Cycles--Sequences of expansions and contractions of aggregate economic activity such as production, employment, income, and trade are defined as business cycles.

Leading Indicator- An economic time series that tends to reverse direction sufficiently in advance of changes in the business cycle.

Coinciding Indicator- An economic time series that parallels changes in the business cycle.

Lagging Indicator- An economic time series that reverses direction after that of the business cycle.

Selected Indicator- An economic time series whose timing to business cycles is unknown, but is of interest to Montana's economy.

Index- Any economic time series which indicates change in a factor from a reference year. The reference year is designated as 100 in this publication and may be selected arbitrarily. All indexes in this publication will designate the year selected, such as 1967 = 100; 1972 = 100, etc.

Montana Composite Index- A composite of six indicators of employment and economic activity: Building Permits, Manufacturing Employment: Average Weekly Hours in Manufacturing, Average Weekly Initial Claims, Accession Rate in Manufacturing, and Layoff rate in Manufacturing. A reverse trend has been used for the Layoff Rate and Average Weekly Initial Claims. The components are converted to a series of standardized changes and weights according to their significance and reliability as economic indicators in making the composite; indexed to 1972 = 100.

Real Spendable Earnings- Real spendable average weekly earnings of private nonagricultural production workers represents the earnings of a hypothetical worker after deductions for State Income, Federal Income, and Social Security taxes, and adjustment for change in purchasing power since 1967. This individual is assumed to be the sole support for a family of four, earn the average weekly gross earnings of production workers in Montana's private non-agricultural industries, and take standard tax tables. Purchasing power was adjusted by deflating Spendable Earnings based on the national ALL Items Consumer Price Index.

A NOTE ABOUT BENCHMARKING AND SEASONAL ADJUSTMENT CHANGES

Because of new benchmarks and new seasonal adjustment factors, some of the series in this publication have been changed to take into account the latest information available. 1979 benchmarks, which reflect the most recent and complete estimates of employment, account for revisions to indicators dealing with total and industry detailed employment. These benchmark levels are revised annually to adjust for sampling errors and any changes to industrial classifications. In addition, all of those series requiring seasonal adjustment have also been revised to reflect the most recent seasonal adjustment factors. Changes in these seasonal series can be attributed to the inclusion of 1979 data in the BLS seasonal adjustment method.

All numbers used in this publication are seasonally adjusted unless otherwise noted.

THIRD QUARTER ANALYSIS: 1979

Montana's economy showed signs of improvement over the second quarter, 1980. Of the leading, coinciding and selected indicators, over half of them registered positive movement. Although the indicators reported improvement, nearly all the industrial employment indicators had a negative impact on Montana's economy.

Of the leading indicators, only two of them showed negative movement. They were Withdrawals and Dissolutions of Corporations and the Manufacturing Quit Rate. A 36% increase was noted in the quit rate over last quarter with only a slight increase noted over the third quarter of 1979.

The total number of Building Permits rose considerably during the third quarter. A monthly average of 57 more permits were reported over the second quarter. In the third quarter, 1979 there were 131 more permits issued each month than in July through September, 1980. Residential Building Permits increased in much the same proportions as the Total Building Permits.

The number of New Business Telephone Installations and New Corporations both doubled in size from July through September. In the second quarter New Business Telephones and New Corporations totaled approximately 250 and 500 respectively and in the third quarter totaled 489 New Business Telephone Installations and 949 New Corporations.

The Manufacturing Layoff Rate and the Manufacturing Accession Rate both recorded substantial positive movement in the third quarter. The Layoff Rate dropped from a quarterly total of 19.9 per 100 employees to 7.3.

At the same time the Accession Rate rose from 2.0 in the second quarter to 16.8 in the third quarter. The biggest reason for these changes is the return of workers in the Lumber and Woods industry. New Hires in Manufacturing increased slightly since June.

The number of Average Weekly Insured Unemployed dropped slightly in the third quarter. This is the only Coinciding Indicator with positive movement. The Unemployment Total and the Unemployment Rate both registered small increases over the second quarter, but showed large increases since the third quarter, 1979.

All Electric Power Sales in Montana were down in the third quarter. Car Registrations have been dropping since the first quarter. The year-to-date total is 15,747 compared to 17,225 for the same period of 1979.

Selected Indicators registered mixed movement with three indicators showing positive movement. They were Oil and Gas Wells Completed, Taxable Gallons of Gasoline and Help Wanted Advertising.

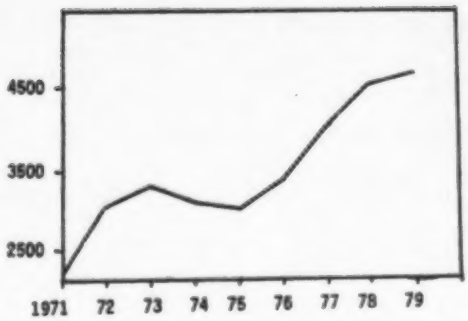
Oil and Gas Wells completed were up 20% over the second quarter and up nearly 60% over July through September, 1979. Help Wanted Advertising showed only a slight increase, as did Taxable Gallons of Gasoline. Natural Gas Withdraws and Oil Produced both dropped considerably since June.

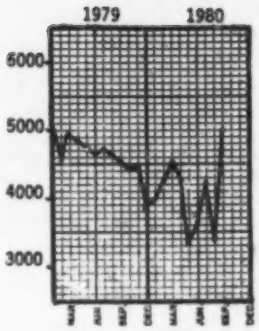
Anaconda Company's layoffs in Anaconda and Great Falls are expected to affect the local economies greatly but the effect may not be seen as strongly on a statewide level.

LEADING INDICATORS

TOTAL NON-AGRICULTURAL PLACEMENTS

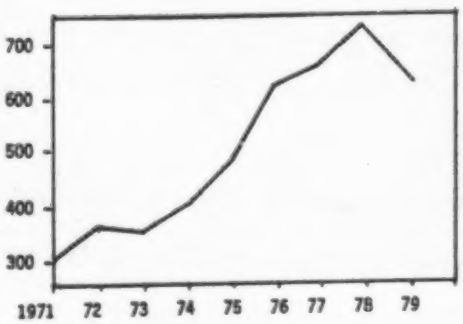
	1979	1980
January	5,159	3,983
February	4,585	4,270
March	4,925	4,525
April	4,890	4,259
May	4,738	3,337
June	4,675	3,649
July	4,738	4,243
August	4,670	3,394
September	4,573	4,999
October	4,426	
November	4,479	
December	3,891	

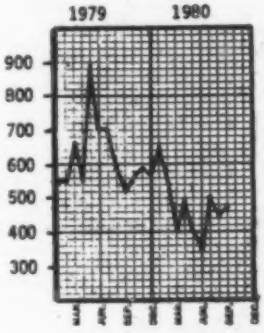




TOTAL NUMBER OF BUILDING PERMITS

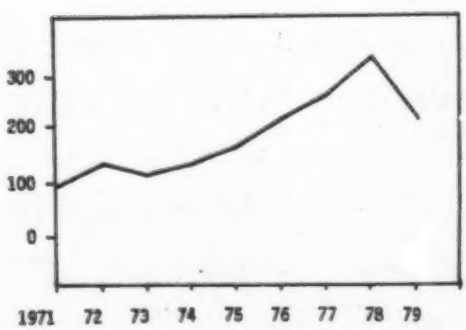
	1979	1980
January	556	657
February	549	571
March	660	411
April	548	494
May	891	403
June	704	351
July	704	507
August	590	447
September	520	465
October	567	
November	586	
December	579	

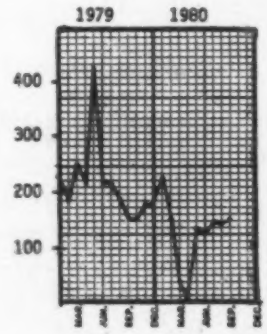




NUMBER OF RESIDENTIAL BUILDING PERMITS

	1979	1980
January	231	234
February	193	184
March	252	39
April	220	4
May	421	135
June	228	121
July	220	148
August	196	143
September	159	153
October	158	
November	185	
December	183	

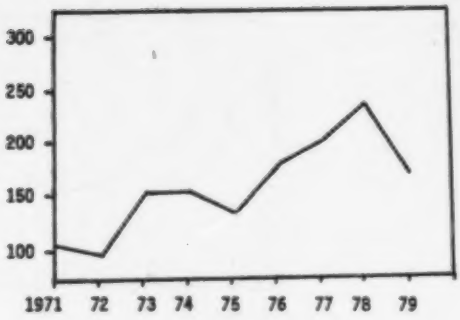


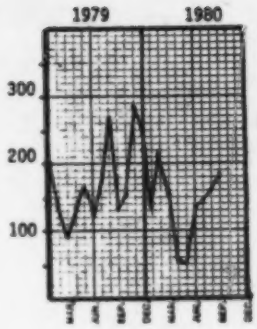


LEADING INDICATORS

NEW BUSINESS TELEPHONES

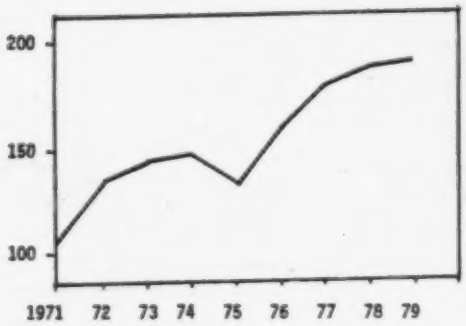
	1979	1980
January	201	135
February	137	218
March	92	154
April	136	58
May	168	53
June	123	138
July	171	145
August	269	159
September	133	185
October	156	
November	288	
December	220	

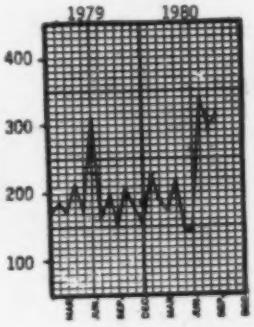




NEW CORPORATIONS

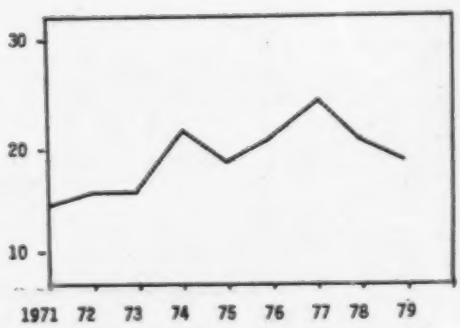
	1979	1980
January	176	227
February	186	190
March	174	176
April	213	216
May	175	146
June	307	145
July	161	339
August	195	294
September	156	316
October	205	
November	176	
December	154	

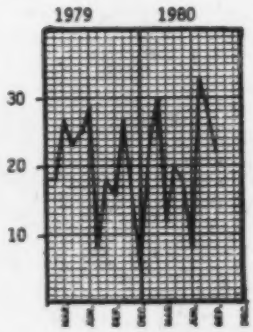




WITHDRAWALS and DISSOLUTIONS of CORPORATIONS

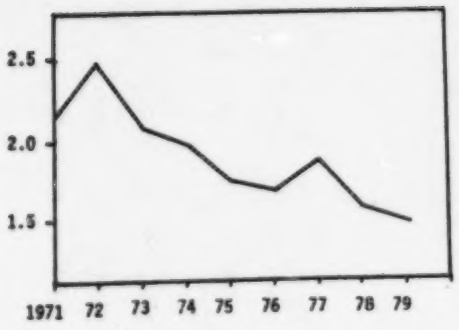
	1979	1980
January	18	21
February	18	30
March	27	12
April	23	20
May	25	18
June	29	8
July	8	33
August	18	28
September	16	22
October	27	
November	16	
December	5	

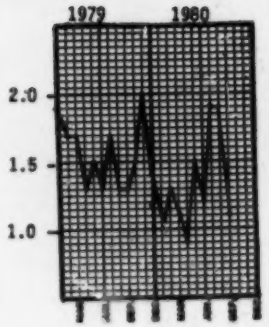




MANUFACTURING QUIT RATE (PER 100 EMPLOYEES)

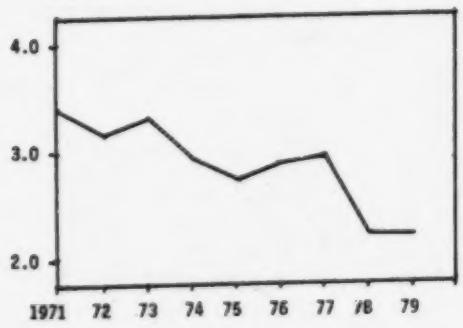
	1979	1980
January	1.9	1.0
February	1.7	1.3
March	1.7	1.1
April	1.3	.9
May	1.5	1.5
June	1.3	1.2
July	1.7	1.9
August	1.3	1.9
September	1.3	1.1
October	1.5	
November	2.0	
December	1.4	

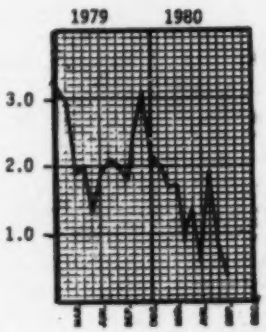




MANUFACTURING NEW HIRES RATE (PER 100 EMPLOYEES)

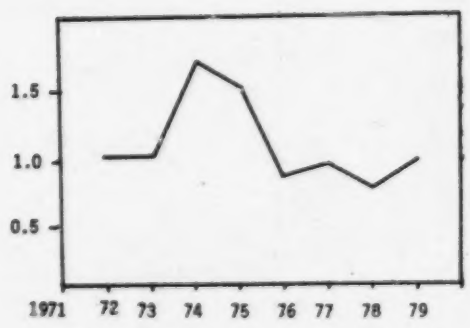
	1979	1980
January	3.2	2.0
February	2.9	1.7
March	1.9	1.7
April	2.0	.9
May	1.3	1.4
June	1.9	.6
July	2.1	1.9
August	2.0	.8
September	1.8	.4
October	2.5	
November	3.1	
December	2.1	

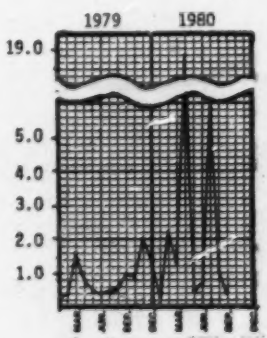




MANUFACTURING LAYOFF RATE (PER 100 EMPLOYEES)

	1979	1980
January	0.3	0.3
February	0.4	2.2
March	1.6	1.3
April	0.8	18.8
May	0.5	.5
June	0.4	.7
July	0.5	5.9
August	0.6	1.0
September	1.0	.4
October	0.9	
November	2.0	
December	1.3	

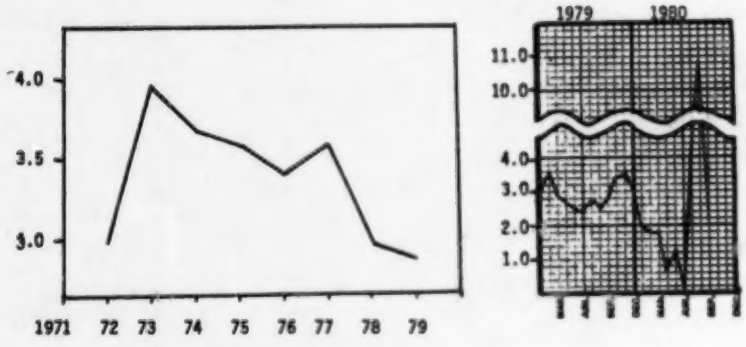




LEADING INDICATORS

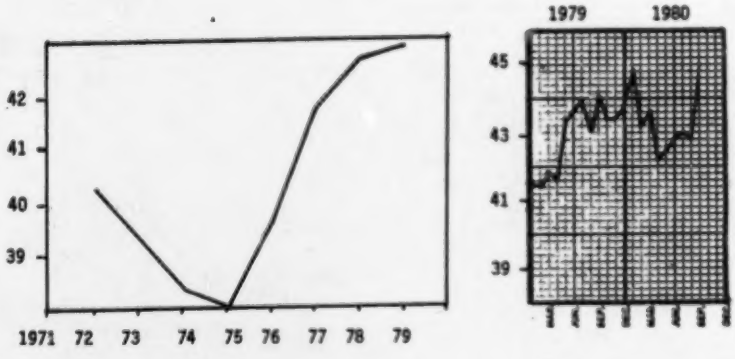
MANUFACTURING ACCESSION RATE (Per 100 employees)

	1979	1980
January	3.1	2.0
February	3.6	1.9
March	2.9	1.9
April	2.7	[illegible]
May	2.5	1.3
June	2.4	0.0
July	2.7	3.8
August	2.5	10.8
September	2.8	2.2
October	3.4	
November	3.5	
December	3.1	



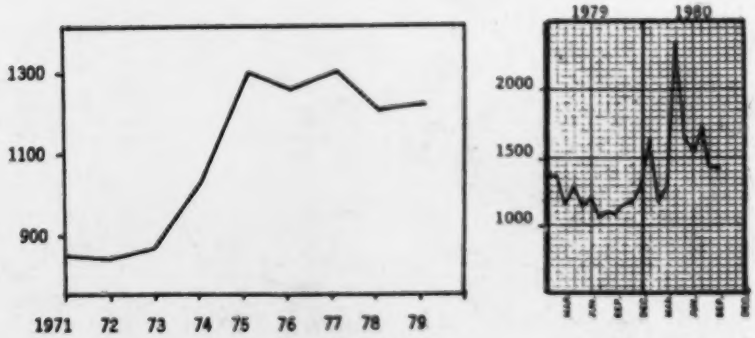
MANUFACTURING AVERAGE WEEKLY HOURS

	1979	1980
January	41.5	44.8
February	41.4	43.2
March	41.8	43.6
April	41.6	42.2
May	43.3	42.5
June	43.6	42.8
July	43.9	43.0
August	43.2	42.8
September	44.0	45.0
October	43.4	
November	43.4	
December	43.6	



AVERAGE WEEKLY INITIAL CLAIMS

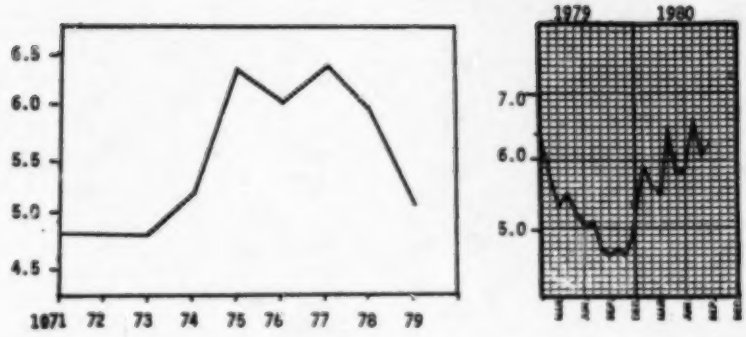
	1979	1980
January	1,382	1,640
February	1,372	1,197
March	1,172	1,299
April	1,286	2,346
May	1,153	1,659
June	1,219	1,551
July	1,076	1,749
August	1,102	1,443
September	1,098	1,435
October	1,162	
November	1,191	
December	1,314	



COINCIDING INDICATORS

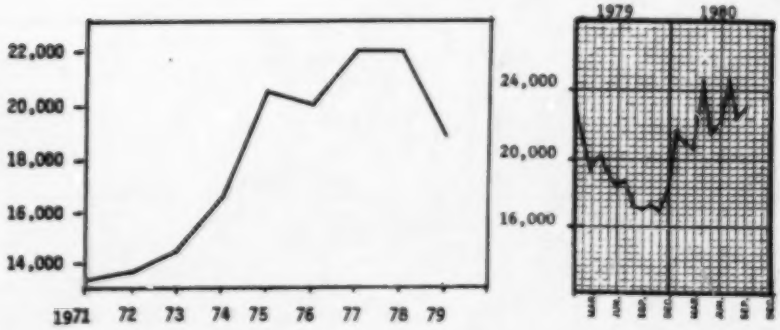
UNEMPLOYMENT RATE (PERCENT)

	1979	1980
January	6.4	5.9
February	5.7	5.6
March	5.3	5.5
April	5.5	6.5
May	5.2	5.8
June	5.0	5.9
July	5.1	6.6
August	4.7	6.1
September	4.6	6.3
October	4.7	
November	4.6	
December	4.9	



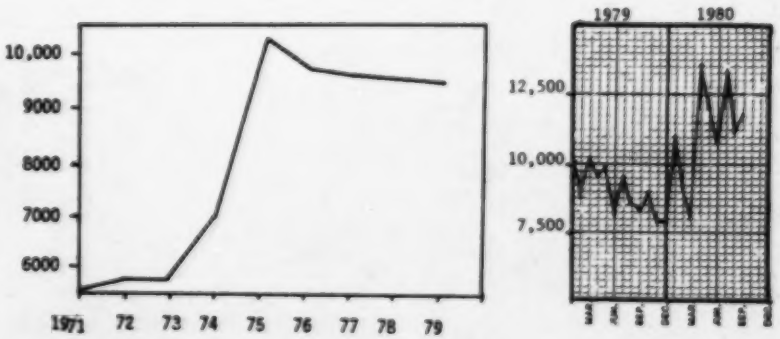
UNEMPLOYMENT TOTAL

	1979	1980
January	23,537	21,882
February	20,913	21,036
March	19,462	20,749
April	20,290	24,512
May	19,386	21,708
June	18,579	22,089
July	18,668	24,574
August	17,285	22,477
September	17,077	23,004
October	17,313	
November	17,081	
December	18,438	



AVERAGE WEEKLY INSURED UNEMPLOYED

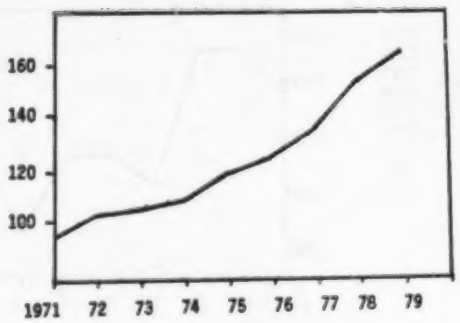
	1979	1980
January	10,209	11,063
February	8,864	9,304
March	10,247	8,182
April	9,588	13,547
May	9,964	12,164
June	8,219	10,865
July	9,566	13,275
August	8,670	11,241
September	8,293	11,816
October	9,026	
November	7,934	
December	7,830	

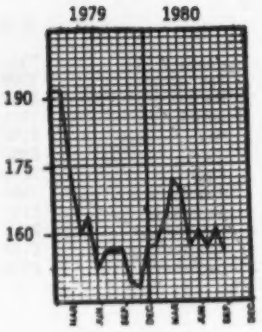


COINCIDING INDICATORS

RESIDENTIAL ELECTRICAL POWER SALES INDEX (1967=100)

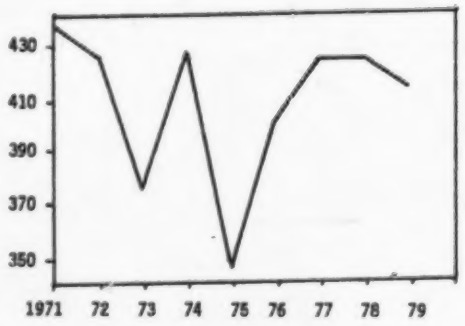
	1979	1980
January	191.9	157.7
February	192.0	163.6
March	173.2	172.4
April	160.0	169.7
May	163.7	157.2
June	153.3	160.3
July	155.2	156.8
August	156.0	160.8
September	156.5	156.6
October	151.8	
November	150.6	
December	155.9	

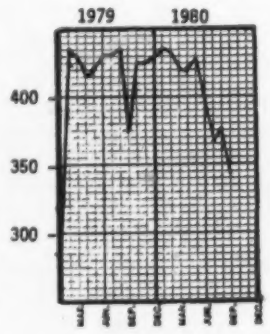




MANUFACTURING ELECTRICAL POWER SALES INDEX (1967=100)

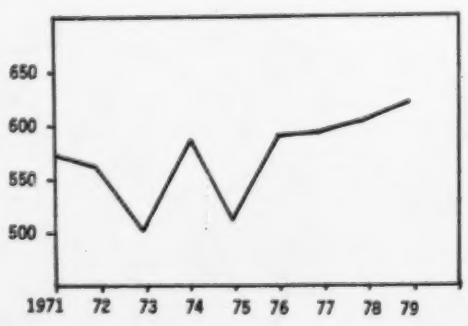
	1979	1980
January	285.3	435.2
February	435.2	432.3
March	430.1	421.6
April	417.9	420.4
May	423.8	429.5
June	430.7	399.7
July	431.0	366.0
August	435.0	376.3
September	374.7	344.0
October	426.9	
November	425.8	
December	429.0	

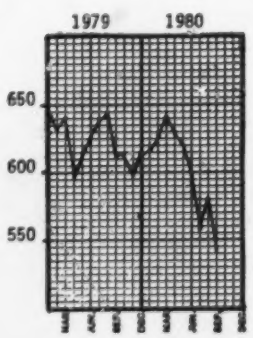




COMMERCIAL-INDUSTRIAL ELECTRICAL POWER SALES INDEX (1967=100)

	1979	1980
January	642.5	615.9
February	634.3	627.6
March	640.3	642.6
April	597.2	629.6
May	614.4	620.9
June	627.0	598.3
July	638.0	558.1
August	644.6	580.6
September	613.1	543.7
October	613.8	
November	598.4	
December	613.4	

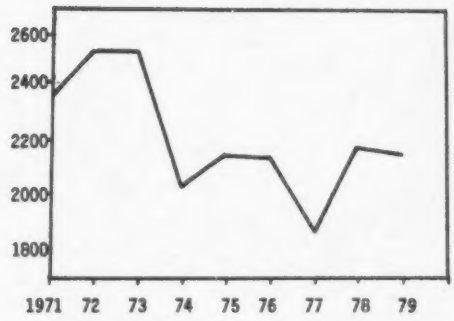


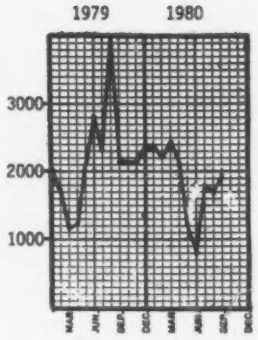


COINCIDING INDICATORS

NEW CAR REGISTRATIONS

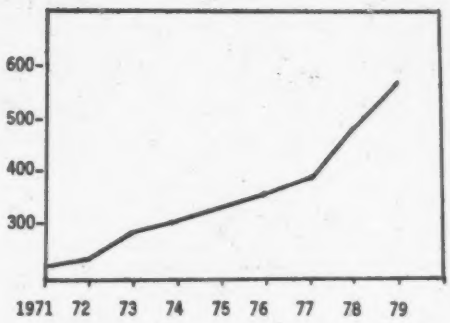
	1979	1980
January	2001	2335
February	1709	2207
March	1165	2427
April	1201	2109
May	2102	1224
June	2802	1801
July	2299	1682
August	3946	1962
September	2154	
October	2111	
November	2128	
December	2335	

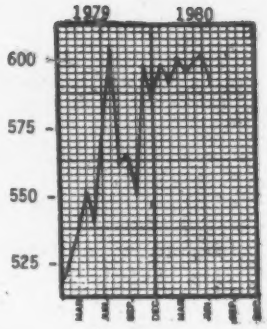




MONTANA PERSONAL INCOME (IN MILLION DOLLARS)

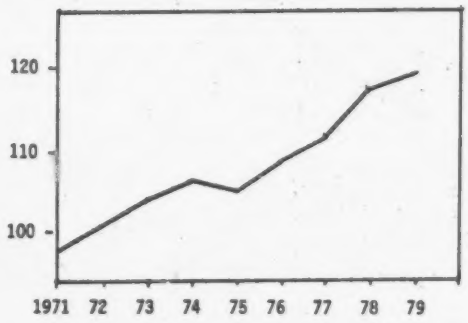
	1979	1980
January	520	596
February	527	591.8
March	536	601.1
April	551	595.3
May	539	596.5
June	573	602.3
July	604	590.2
August	564	
September	568	
October	550	
November	596	
December	586	

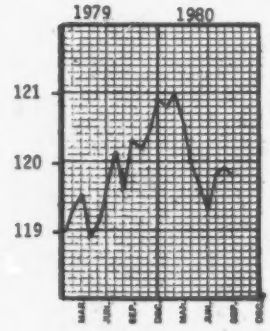




NONAGRICULTURAL EMPLOYMENT INDEX U.S.: 1972=100

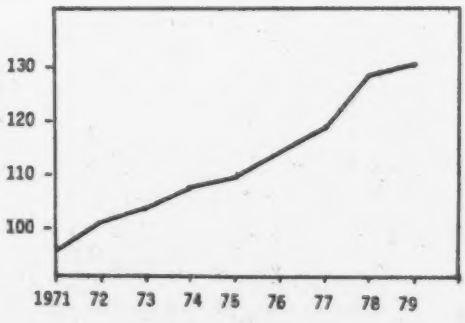
	1979	1980
January	119.0	120.8
February	119.3	121.0
March	119.5	120.5
April	118.9	120.0
May	119.1	119.7
June	119.5	119.3
July	120.1	119.8
August	119.6	119.9
September	120.3	119.8
October	120.2	
November	120.4	
December	120.9	

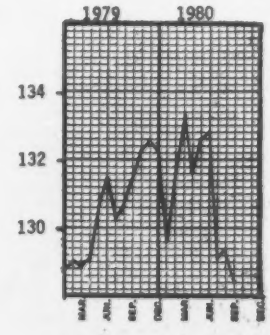




NONAGRICULTURAL EMPLOYMENT INDEX MONTANA: 1972=100

	1979	1980
January	128.7	129.6
February	129.0	131.5
March	128.9	133.3
April	129.1	131.7
May	130.6	132.6
June	131.5	132.8
July	130.3	129.1
August	130.6	129.4
September	131.4	128.4
October	132.3	
November	132.5	
December	132.3	

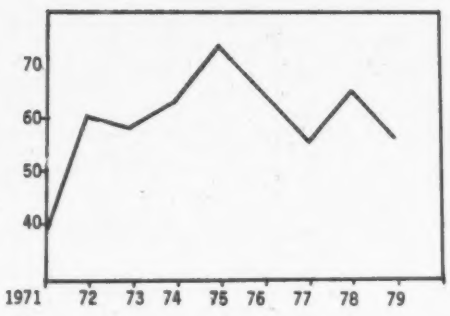


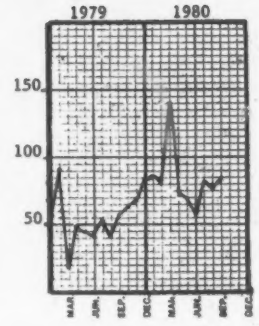


SELECTED INDICATORS

OIL AND GAS WELLS COMPLETED

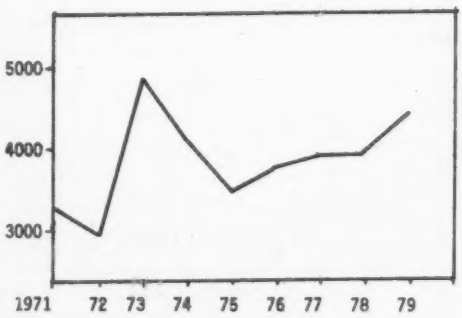
	1979	1980
January	57	86
February	92	80
March	19	140
April	49	74
May	45	70
June	41	58
July	54	82
August	42	77
September	57	84
October	64	
November	68	
December	84	

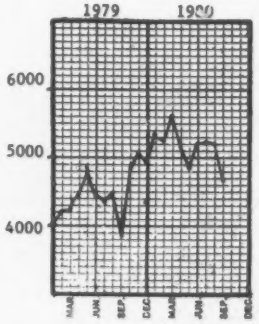




NATURAL GAS WITHDRAWLS (MILLION CU.FT.)

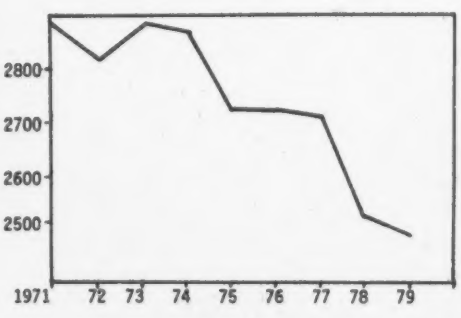
	1979	1980
January	4070.8	5349.7
February	4204.4	5279.6
March	4268.4	5602.6
April	4469.2	5175.6
May	4851.6	4878.3
June	4435.7	5214.4
July	4347.9	5222.1
August	4487.7	5211.5
September	3862.1	4647.3
October	4867.7	
November	5089.8	
December	4915.8	

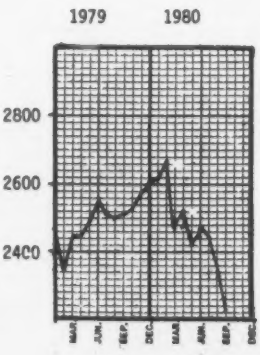




OIL PRODUCTION (THOUSAND BARRELS)

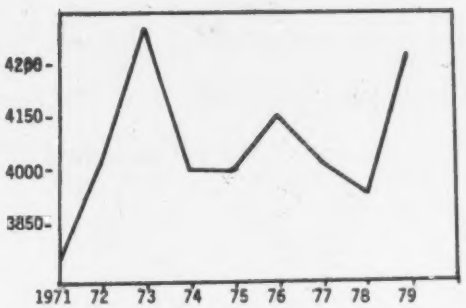
	1979	1980
January	2470.9	2620.0
February	2345.6	2667.6
March	2441.1	2478.7
April	2433.1	2520.1
May	2497.9	2411.1
June	2549.9	2465.9
July	2517.9	2447.9
August	2504.5	2361.6
September	2518.3	2232.2
October	2529.6	
November	2577.5	
December	2609.8	

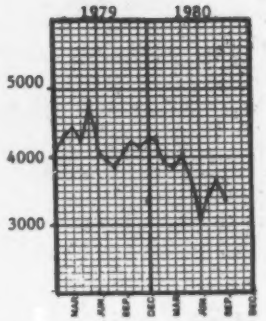




OIL REFINED (THOUSAND BARRELS)

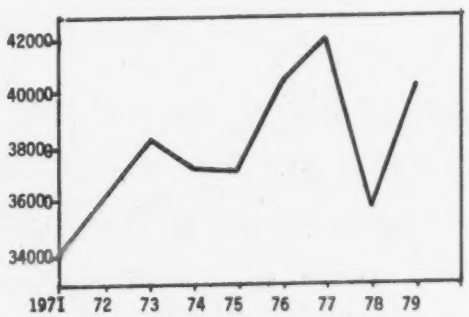
	1979	1980
January	4154	4249
February	4321	3932
March	4458	3865
April	4321	4053
May	4874	3677
June	4147	3071
July	3988	3466
August	3941	3694
September	4032	3384
October	4226	
November	4166	
December	4297	

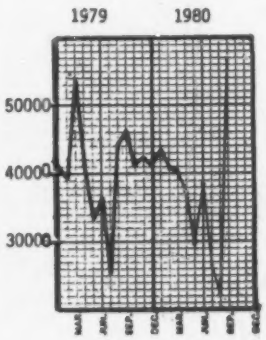




TAXABLE GALLONS GASOLINE (THOUSAND GALLONS)

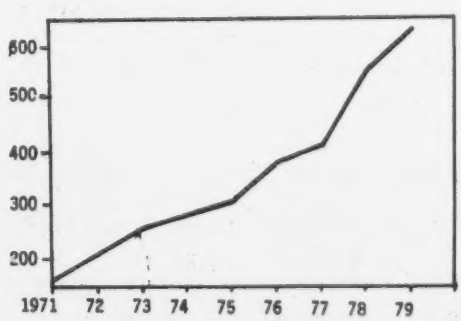
	1979	1980
January	41942	43351
February	39609	40752
March	53881	40230
April	41105	37129
May	33891	29968
June	36678	38446
July	25340	26769
August	44470	22306
September	46161	56853
October	41248	
November	42245	
December	41162	

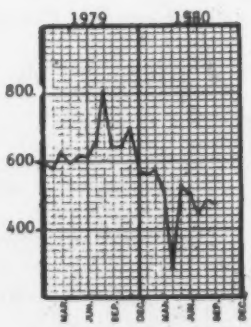




HELP WANTED ADVERTISING (FROM 5 MAJOR CITY DAILIES)

	1979	1980
January	597	567
February	583	577
March	630	514
April	596	384
May	617	531
June	615	508
July	658	445
August	801	512
September	643	497
October	644	
November	696	
December	577	





EMPLOYMENT IN MONTANA'S INDUSTRIAL SECTORS: 3rd Quarter 1980

Montana's employment during the third quarter dropped in all industries except the Lumber and Wood Products Industry. Lumber and Wood Products employment averaged 7,800 per month in the second quarter and rose to 8,700 per month during the third quarter. The main reason for this rise in employment is the return of the workers to different lumber mills around the state.

Non-Agricultural Wage and Salary employment dropped on an average of approximately 3,600 per month--from July through September. Average employment for the third quarter was 275,800 compared to about 285,000 for the same period in 1979.

Employment in the Mining industry was affected by the Anaconda Company's labor dispute from July through September. Employment dropped from an average of 7,700 in the second quarter to nearly 6,600 during the third quarter.

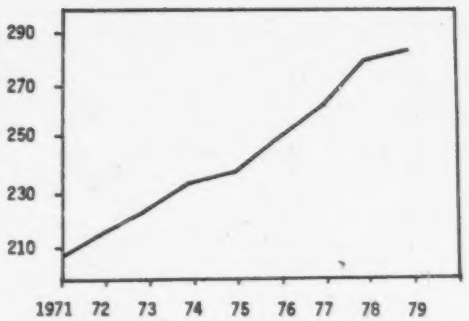
Wholesale and Retail trade employment during the third quarter was about 800 lower than the monthly average in the second quarter, and 900 lower than the average for July through September, 1979. The reduction is due mostly to the decrease in Retail trade employment since June.

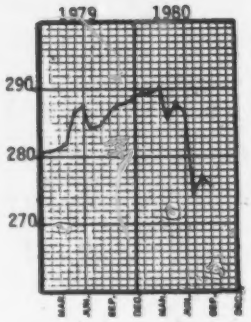
The Service Industry and Finance Insurance and Real Estate recorded only slight decreases in employment. Government employment was reduced by an average of over 1000 employees per month during the third quarter.

INDUSTRIAL EMPLOYMENT

NONAGRICULTURAL WAGE AND SALARY (IN THOUSANDS)

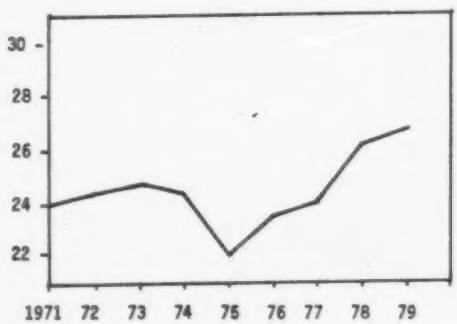
	1979	1980
January	280.6	289.6
February	280.8	289.4
March	281.3	290.3
April	282.0	285.2
May	286.7	288.1
June	287.7	286.3
July	284.1	274.3
August	284.7	277.1
September	286.3	275.9
October	287.7	
November	288.0	
December	288.6	

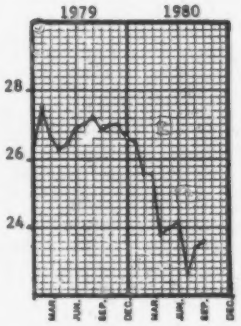




MANUFACTURING EMPLOYMENT (IN THOUSANDS)

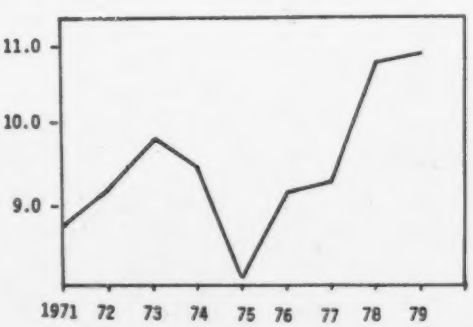
	1979	1980
January	26.5	26.5
February	27.6	25.6
March	26.8	25.6
April	26.3	23.8
May	26.5	24.0
June	26.9	24.2
July	27.1	22.6
August	27.2	23.4
September	26.9	23.6
October	27.0	
November	27.0	
December	26.7	

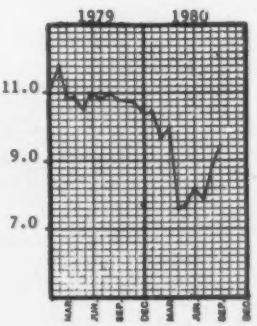




LUMBER AND WOOD PRODUCTS (IN THOUSANDS)

	1979	1980
January	11.2	10.5
February	11.8	9.7
March	10.9	10.0
April	10.9	7.6
May	10.5	7.7
June	11.0	8.2
July	10.9	7.9
August	11.0	8.9
September	10.8	9.4
October	10.8	
November	10.7	
December	10.4	

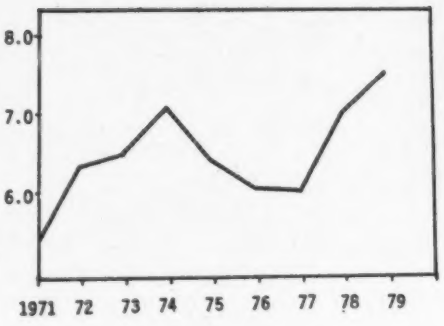


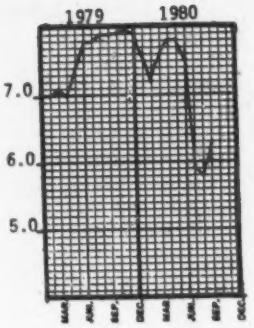


INDUSTRIAL EMPLOYMENT

MINING (IN THOUSANDS) (NOT SEASONALLY ADJUSTED)

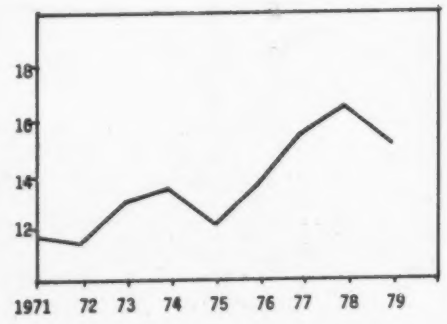
	1979	1980
January	7.0	7.6
February	7.0	7.2
March	7.1	7.6
April	7.0	7.8
May	7.4	7.8
June	7.8	7.5
July	7.8	5.9
August	7.9	5.8
September	7.9	6.3
October	7.9	
November	8.0	
December	7.9	

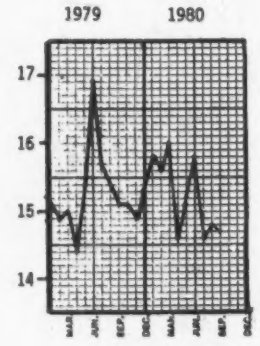




CONTRACT CONSTRUCTION (IN THOUSANDS)

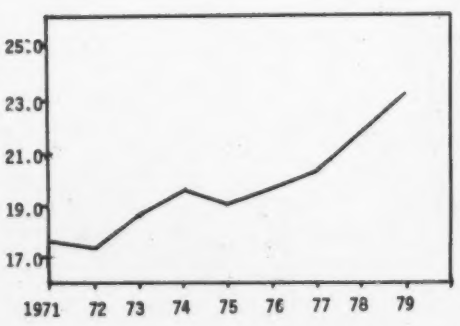
	1979	1980
January	15.2	15.8
February	14.9	15.6
March	15.0	16.0
April	14.4	14.6
May	15.4	15.1
June	16.9	15.8
July	15.7	14.6
August	15.4	14.8
September	15.1	14.7
October	15.1	
November	14.9	
December	15.3	

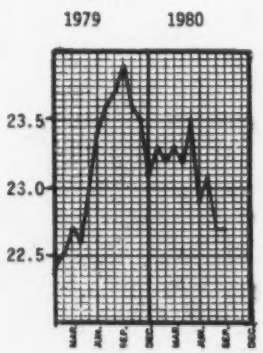




TRANSPORTATION AND PUBLIC UTILITIES (IN THOUSANDS)

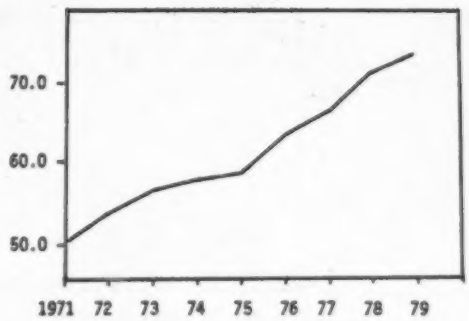
	1979	1980
January	22.4	23.3
February	22.5	23.2
March	22.7	23.3
April	22.6	23.2
May	23.3	23.5
June	23.4	22.9
July	23.6	23.1
August	23.7	22.7
September	23.9	22.7
October	23.6	
November	23.5	
December	23.1	

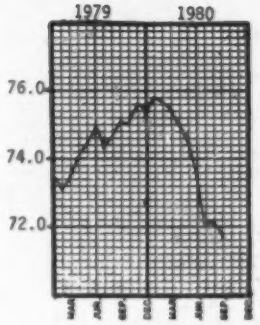




WHOLESALE AND RETAIL TRADE (IN THOUSANDS)

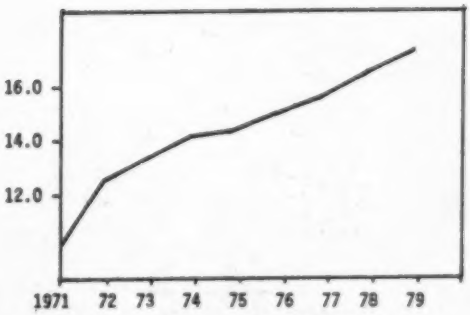
	1979	1980
January	73.4	75.8
February	73.1	75.7
March	73.5	75.4
April	74.0	75.0
May	74.4	74.5
June	74.9	73.5
July	74.3	72.1
August	74.6	72.1
September	75.1	71.7
October	75.0	
November	75.6	
December	76.3	

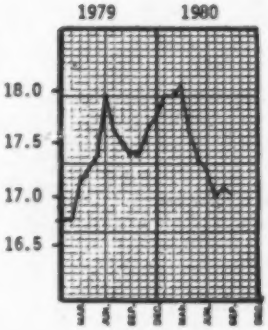




WHOLESALE TRADE (IN THOUSANDS)

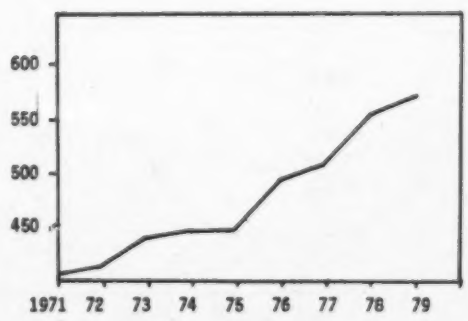
	1979	1980
January	16.7	18.0
February	16.7	18.0
March	17.2	18.1
April	17.3	17.7
May	17.4	17.3
June	18.0	17.2
July	17.6	17.0
August	17.5	17.2
September	17.4	17.1
October	17.4	
November	17.6	
December	17.7	

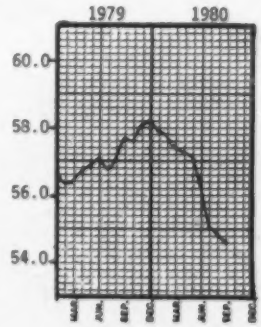




RETAIL TRADE (IN THOUSANDS)

	1979	1980
January	56.5	57.9
February	56.4	57.8
March	56.4	57.4
April	56.7	57.3
May	56.9	57.1
June	57.1	56.3
July	56.8	55.1
August	57.1	54.9
September	57.2	54.6
October	57.6	
November	58.1	
December	58.2	

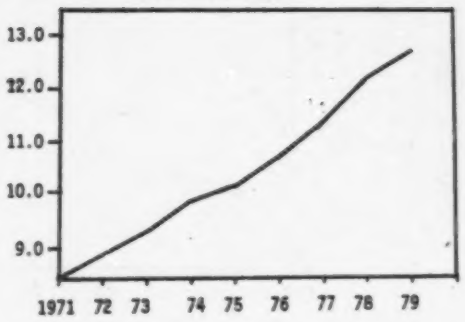


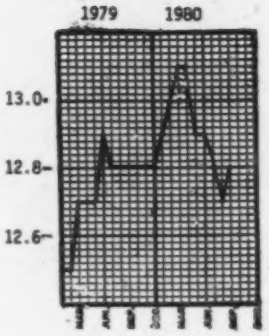


INDUSTRIAL EMPLOYMENT

FINANCE, INSURANCE & REAL ESTATE (IN THOUSANDS)

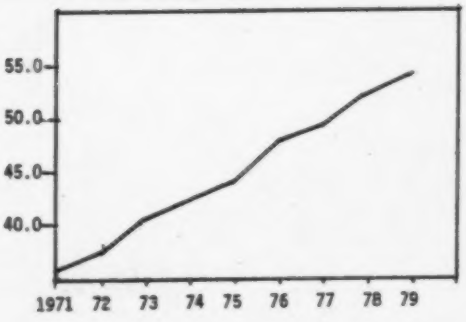
	1979	1980
January	12.5	12.9
February	12.5	13.0
March	12.7	13.1
April	12.7	13.1
May	12.7	12.9
June	12.9	12.9
July	12.8	12.8
August	12.8	12.7
September	12.8	12.8
October	12.8	
November	12.8	
December	12.8	

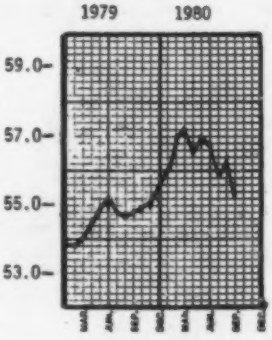




SERVICES (IN THOUSANDS)

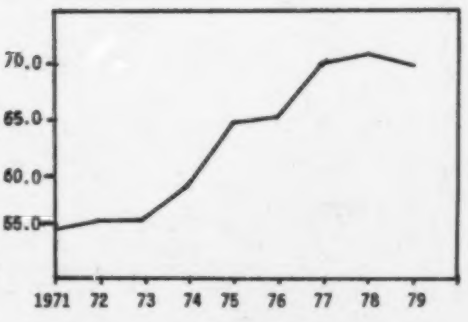
	1979	1980
January	53.8	56.0
February	53.8	56.9
March	54.0	57.2
April	54.5	56.5
May	54.9	57.0
June	55.2	56.7
July	54.8	55.8
August	54.7	56.4
September	54.8	55.3
October	54.9	
November	55.0	
December	55.5	

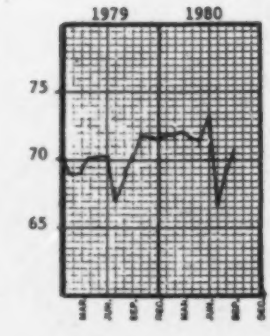




GOVERNMENT (IN THOUSANDS)

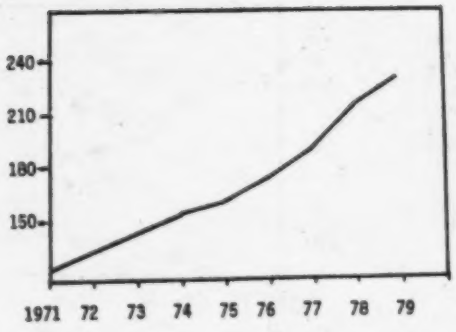
	1979	1980
January	70.0	71.8
February	69.1	72.0
March	69.3	72.1
April	70.1	71.7
May	70.2	71.5
June	70.3	73.2
July	67.4	66.7
August	69.1	69.3
September	70.3	70.8
October	71.8	
November	71.7	
December	71.6	

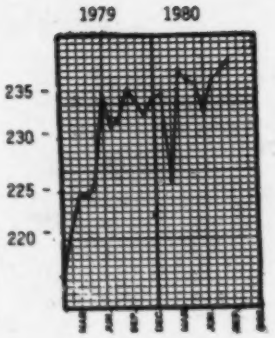




GROSS WEEKLY EARNINGS (IN DOLLARS)

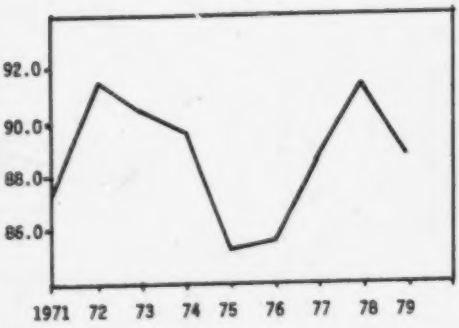
	1979	1980
January	217.37	234.61
February	221.13	226.33
March	224.88	237.50
April	224.49	236.05
May	226.91	235.67
June	234.46	232.36
July	231.35	236.29
August	232.76	237.30
September	235.40	238.29
October	233.35	
November	232.61	
December	233.33	

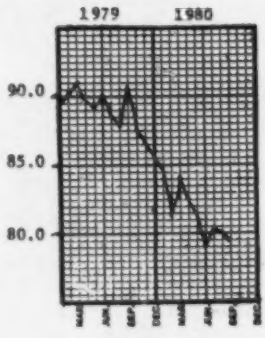




REAL WEEKLY SPENDABLE EARNINGS (IN DOLLARS)

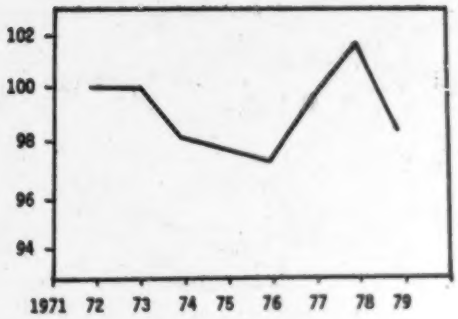
	1979	1980
January	89.67	84.82
February	90.29	81.40
March	91.02	84.12
April	89.68	82.52
May	89.19	81.39
June	90.18	78.93
July	88.60	80.28
August	87.95	80.01
September	90.80	79.50
October	87.53	
November	86.70	
December	85.89	

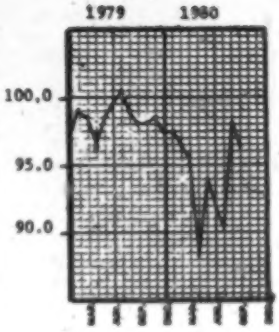




MONTANA COMPOSITE INDEX (1972=100)

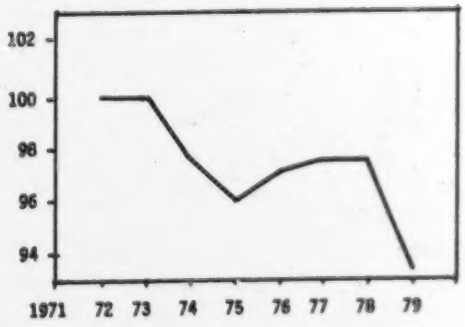
	1979	1980
January	96.9	97.5
February	99.2	96.4
March	98.6	95.6
April	96.2	88.4
May	98.5	94.0
June	99.7	91.9
July	100.5	90.4
August	98.9	98.1
September	98.0	96.4
October	98.3	
November	98.6	
December	97.5	

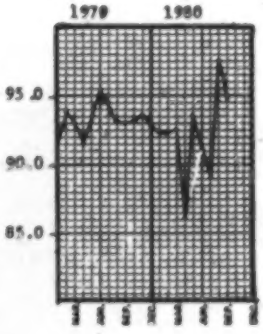




MARGINAL EMPLOYMENT ADJUSTMENT INDEX (1972=100)

	1979	1980
January	91.9	92.4
February	93.9	92.4
March	93.1	92.6
April	91.5	86.2
May	93.2	93.6
June	95.3	91.4
July	94.5	89.1
August	93.2	97.6
September	93.1	94.9
October	93.2	
November	93.6	
December	92.8	





S4710-4

MONTANA
ECONOMIC INDICATORS

AN ANALYSIS OF PAST AND PRESENT ECONOMIC TRENDS

STATE OF MONTANA

TED SCHWINDEN, GOVERNOR

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Volume VII Number 4

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Montana Secretary of State

Montana State Library - Historical Documents Section

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Bureau of Business and Economic Research, University of Montana

Board of Oil and Gas Conservation

U. S. Department of Agriculture Statistical Reporting Service

Federal Reserve System - 9th Federal District

Bureau of Reclamation

Bonneville Power Administration

Montana Dakota Utilities

Montana Power Company

Pacific Power and Light

Mountain Bell Telephone Company

Business Week

Employment, Hours and Earnings, and Labor Turnover data produced in cooperation with U. S. Department of Labor, Bureau of Labor Statistics, and the Employment and Training Administration.

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DEFINITIONS

Seasonal Adjustment- A mathematical procedure in which average seasonal fluctuations are removed from the origional data leaving a time series that may be analyzed for underlying trends. Seasonal adjustment will be designated by the terms seasonally adjusted, adjusted, or adj.. All indicators are seasonally adjusted unless noted, in which case the origional data is presented and designated by the terms not seasonally adjusted, raw data, unadjusted, or unadj.

Economic Indicators- Statistical time series whose cyclical characteristics are known and fairly stable, particularly in the timing of their cyclical peaks and troughs relative to business cycles turns. Economic Indicators are used for the interpretation of past, current, and anticipation of prospective business conditions.

Business Cycles--Sequences of expansions and contractions of aggregate economic activity such as production, employment, income, and trade are defined as business cycles.

Leading Indicator- An economic time series that tends to reverse direction sufficiently in advance of changes in the business cycle.

Coinciding Indicator- An economic time series that parallels changes in the business cycle

Lagging Indicator- An economic time series that reverses direction after that of the business cycle.

Selected Indicator- An economic time series whose timing to business cycles is unknown, but is of interest to Montana's economy.

Index- Any economic time series which indicates change in a factor from a reference year. The reference year is designated as 100 in this publication and may be selected arbitrarily. All indexes in this publication will designate the year selected, such as 1967 = 100; 1972 = 100, etc.

Montana Composite Index- A composite of six indicators of employment and economic activity: Building Permits, Manufacturing Employment: Average Weekly Hours in Manufacturing, Average Weekly Initial Claims, Accession Rate in Manufacturing, and Layoff rate in Manufacturing. A reverse trend has been used for the Layoff Rate and Average Weekly Initial Claims. The components are converted to a series of standardized changes and weights according to their significance and reliability as economic indicators in making the composite, indexed to 1972 = 100.

Real Spendable Earnings- Real spendable average weekly earnings of private nonagricultural production workers represents the earnings of a hypothetical worker after deductions for State Income, Federal Income, and Social Security taxes, and adjustment for change in purchasing power since 1967. This individual is assumed to be the sole support for a family of four, earn the average weekly gross earnings of production workers in Montana's private non-agricultural industries, and take standard tax tables. Purchasing power was adjusted by deflating Spendable Earnings based on the national ALL Items Consumer Price Index.

A NOTE ABOUT BENCHMARKING AND SEASONAL ADJUSTMENT CHANGES

Because of new benchmarks and new seasonal adjustment factors, some of the series in this publication have been changed to take into account the latest information available. 1979 benchmarks, which reflect the most recent and complete estimates of employment, account for revisions to indicators dealing with total and industry detailed employment. These benchmark levels are revised annually to adjust for sampling errors and any changes to industrial classifications. In addition, all of those series requiring seasonal adjustment have also been revised to reflect the most recent seasonal adjustment factors. Changes in these seasonal series can be attributed to the inclusion of 1979 data in the BLS seasonal adjustment method.

All numbers used in this publication are seasonally adjusted.

MONTANA ECONOMIC INDICATORS: 4th Quarter Analysis

During the fourth quarter of 1980 most economic indicators registered positive movement, while at the same time, many of them recorded annual averages with negative movement for 1980. Among the leading, coinciding and selected indicators, about 70 percent showed economic growth during the fourth quarter. Only 13 percent of them showed considerable positive movement in their annual averages for 1980.

Of the leading indicators, a decline in manufacturing can be seen during the fourth quarter. The manufacturing quit rate rose considerably, while the manufacturing accession rate dropped, and manufacturing average weekly hours dropped slightly from 43.6 hours in the third quarter to 43.1 in the fourth quarter. New corporations also registered a considerable decline from October through December. New corporations and the manufacturing accession rate were the only leading indicators with annual averages showing positive movement. All other leading indicators had annual averages which reflected negative impact on Montana's economy.

All the coinciding indicators recorded economic growth during the fourth quarter except commercial-industrial electric power sales and new car registrations. These both had only slight declines during the fourth quarter. From January, 1980 to December, 1980 none of the coinciding indicators registered positive economic movement. Average weekly insured unemployed has never been as high as it was in 1980, since the series was established as a Montana economic indicator. Also, new car registrations fell to 1812 for a 1980 monthly average. This

is the lowest monthly average since the series originated.

Oil and gas wells completed and natural gas withdrawals were the only two selected indicators which showed considerable economic growth during 1980. In the fourth quarter of 1980, however, oil and gas wells completed was the only selected indicator not recording positive movement. Oil and gas wells completed dropped from an average of 81 wells per month in the third quarter to 66 wells during the fourth quarter. This compares to an average of 72 wells per month during the fourth quarter, 1979.

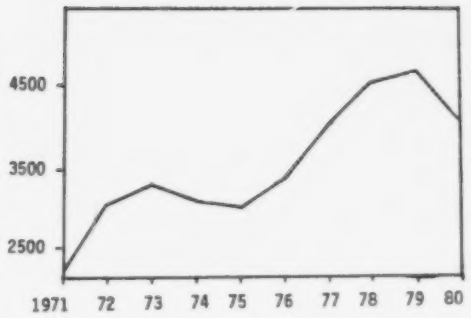
Montana's Real Weekly Spendable Earnings registered very little change during the second half of 1980, yet a substantial decrease is seen from January, 1980 through December, 1980. A monthly average of $88.96 during 1979 compares to real weekly spendable earnings of $81.05 in 1980.

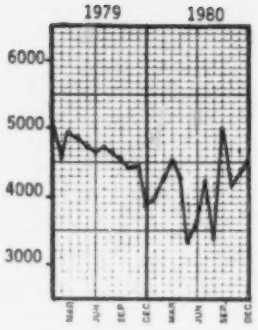
As mentioned earlier, very few of the indicators registered positive movement in their 1980 averages, while nearly three-quarters of them recorded economic growth during the fourth quarter. Hopefully they will continue in that direction on into 1981.

LEADING INDICATORS

TOTAL NON-AGRICULTURAL PLACEMENTS

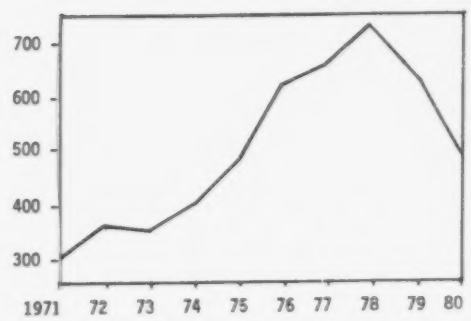
	1979	1980
January	5,159	3,983
February	4,585	4,270
March	4,925	4,525
April	4,890	4,259
May	4,738	3,337
June	4,675	3,649
July	4,738	4,243
August	4,670	3,394
September	4,573	4,999
October	4,426	4,146
November	4,479	4,335
December	3,891	4,538

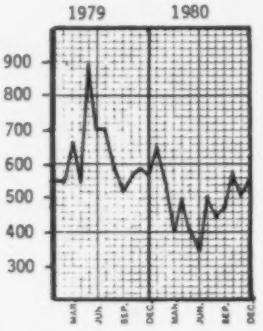




TOTAL NUMBER OF BUILDING PERMITS

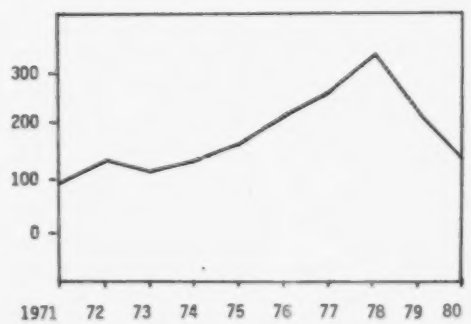
	1979	1980
January	556	657
February	549	571
March	660	411
April	548	494
May	891	403
June	704	351
July	704	507
August	590	447
September	520	465
October	567	575
November	586	506
December	579	557

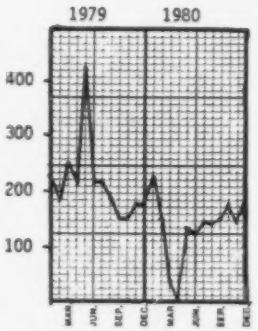




NUMBER OF RESIDENTIAL BUILDING PERMITS

	1979	1980
January	231	234
February	193	184
March	252	39
April	220	4
May	421	135
June	228	121
July	220	148
August	196	143
September	159	153
October	158	177
November	185	145
December	183	174

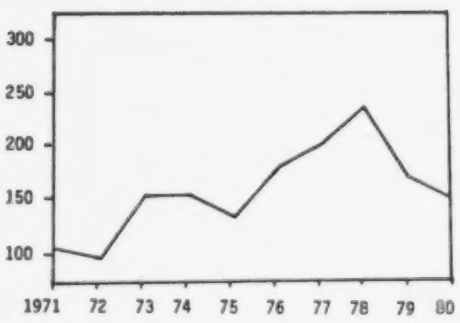


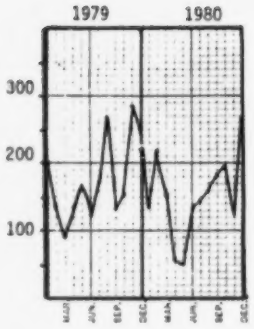


LEADING INDICATORS

NEW BUSINESS TELEPHONES

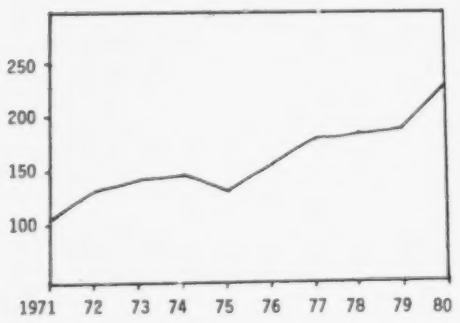
	1979	1980
January	201	135
February	137	218
March	92	154
April	136	58
May	168	53
June	123	138
July	171	145
August	269	159
September	133	185
October	156	197
November	288	124
December	220	267

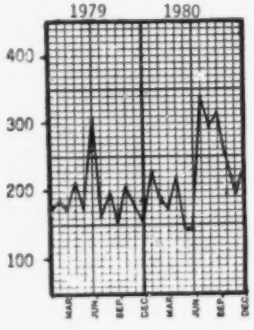




NEW CORPORATIONS

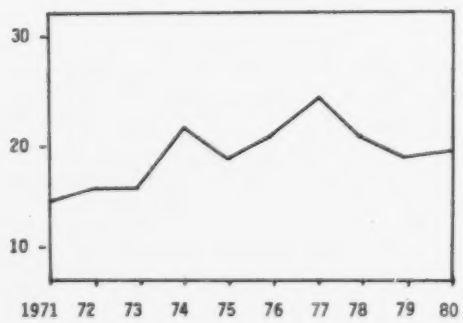
	1979	1980
January	176	227
February	186	190
March	174	176
April	213	216
May	175	146
June	307	145
July	161	339
August	195	294
September	156	316
October	205	251
November	176	194
December	154	225

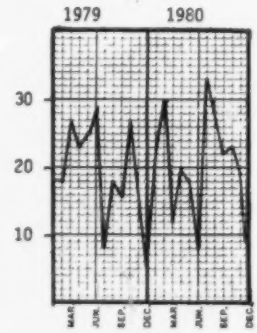




WITHDRAWALS and DISSOLUTIONS of CORPORATIONS

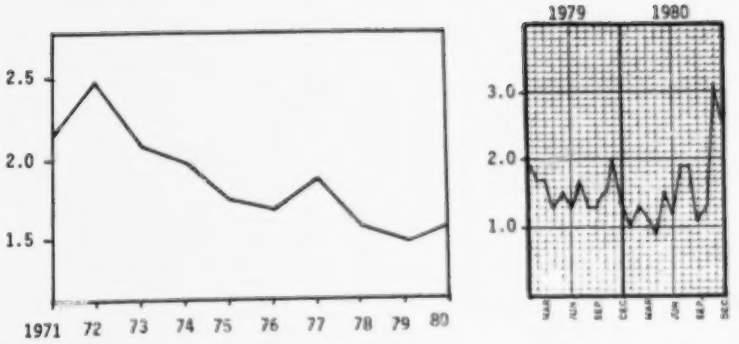
	1979	1980
January	18	21
February	18	30
March	27	12
April	23	20
May	25	18
June	29	8
July	8	33
August	18	28
September	16	22
October	27	23
November	16	19
December	5	9





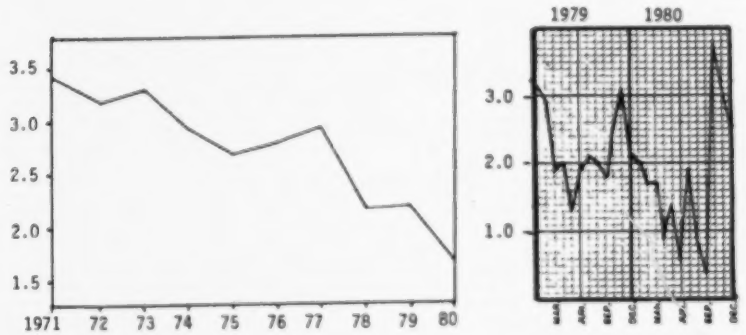
MANUFACTURING QUIT RATE (PER 100 EMPLOYEES)

	1979	1980
January	1.9	1.0
February	1.7	1.3
March	1.7	1.1
April	1.3	0.9
May	1.5	1.5
June	1.3	1.2
July	1.7	1.9
August	1.3	1.9
September	1.3	1.1
October	1.5	1.3
November	2.0	3.1
December	1.4	2.6



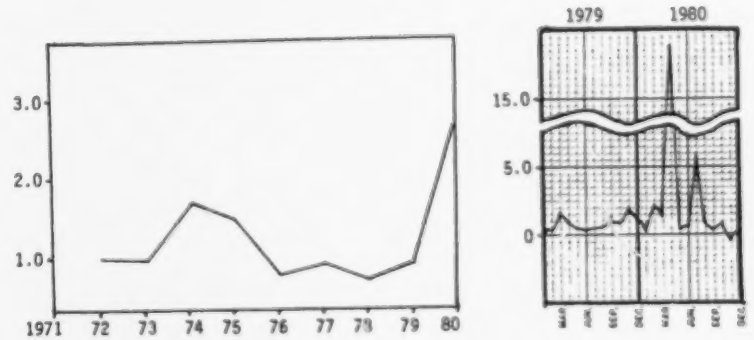
MANUFACTURING NEW HIRES RATE (PER 100 EMPLOYEES)

	1979	1980
January	3.2	2.0
February	2.9	1.7
March	1.9	1.7
April	2.0	0.9
May	1.3	1.4
June	1.9	0.6
July	2.1	1.9
August	2.0	0.8
September	1.8	0.4
October	2.5	3.8
November	3.1	3.1
December	2.1	2.6



MANUFACTURING LAYOFF RATE (PER 100 EMPLOYEES)

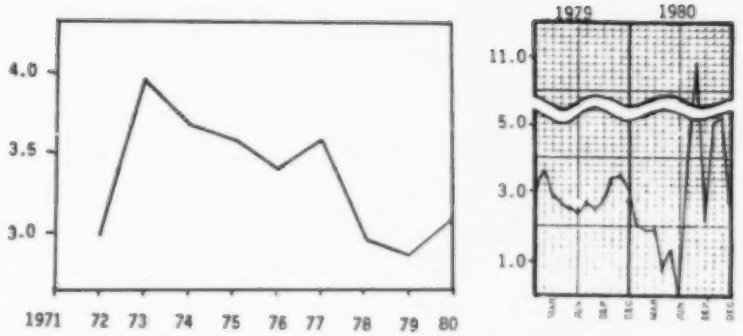
	1979	1980
January	0.3	0.3
February	0.4	2.2
March	1.6	1.3
April	0.8	18.8
May	0.5	0.5
June	0.4	0.7
July	0.5	5.9
August	0.6	1.0
September	1.0	0.4
October	0.9	0.8
November	2.0	-0.3
December	1.3	0.1



LEADING INDICATORS

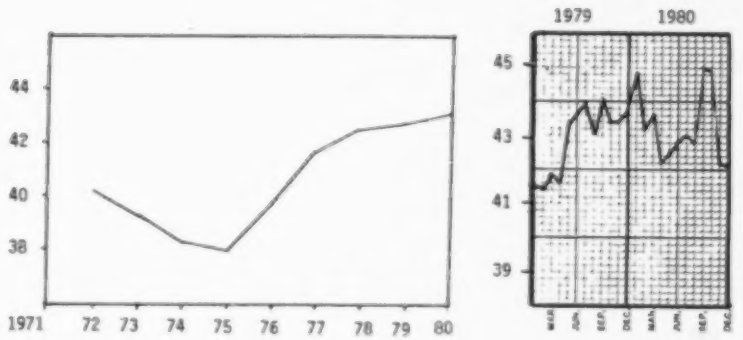
MANUFACTURING ACCESSION RATE (Per 100 employees)

	1979	1980
January	3.1	2.0
February	3.6	1.9
March	2.9	1.9
April	2.7	0.7
May	2.5	1.3
June	2.4	0.0
July	2.7	3.8
August	2.5	10.8
September	2.6	2.2
October	3.4	5.0
November	3.5	5.2
December	3.1	2.7



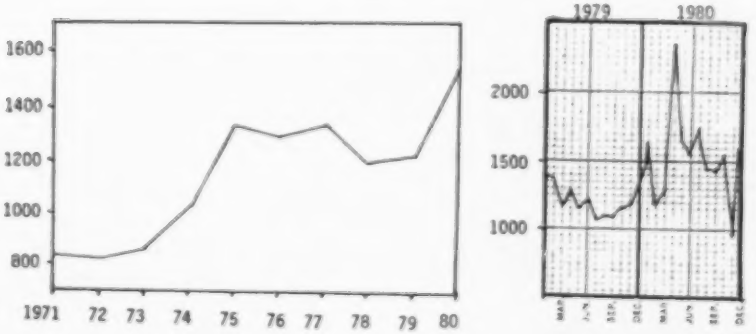
MANUFACTURING AVERAGE WEEKLY HOURS

	1979	1980
January	41.5	44.8
February	41.4	43.2
March	41.8	43.6
April	41.6	42.2
May	43.3	42.5
June	43.6	42.8
July	43.9	43.0
August	43.2	42.8
September	44.0	45.0
October	43.4	44.9
November	43.4	42.2
December	43.6	42.1



AVERAGE WEEKLY INITIAL CLAIMS

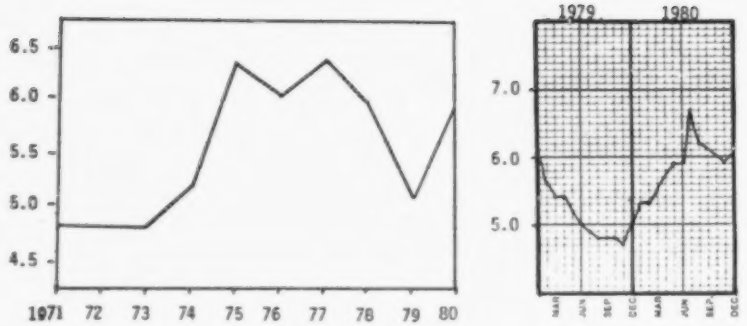
	1979	1980
January	1,382	1,640
February	1,372	1,197
March	1,172	1,299
April	1,286	2,346
May	1,153	1,659
June	1,219	1,551
July	1,076	1,749
August	1,102	1,443
September	1,098	1,435
October	1,162	1,540
November	1,191	975
December	1,314	1,588



COINCIDING INDICATORS

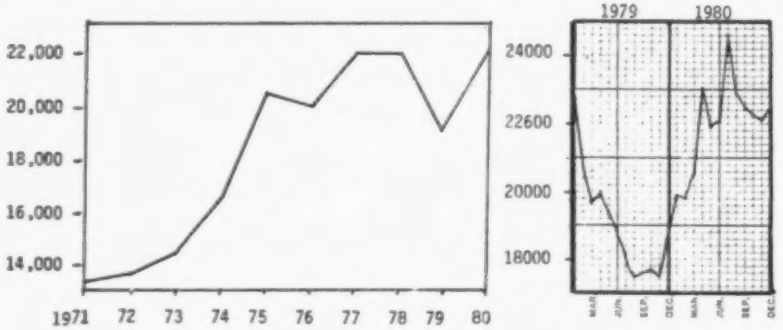
UNEMPLOYMENT RATE (PERCENT)

	1979	1980
January	6.1	5.3
February	5.6	5.3
March	5.4	5.5
April	5.4	6.1
May	5.2	5.9
June	5.0	5.9
July	4.9	6.7
August	4.8	6.2
September	4.8	6.1
October	4.8	6.0
November	4.7	5.9
December	5.0	6.0



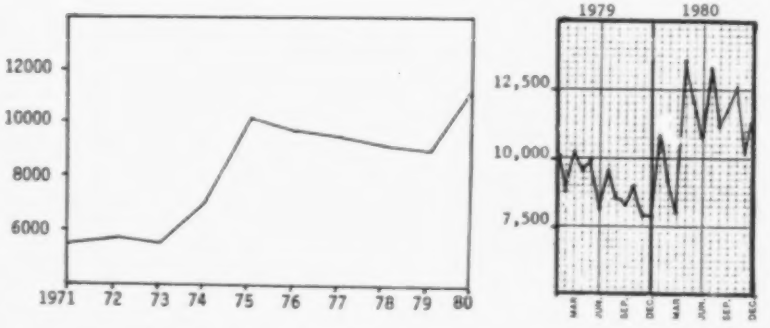
UNEMPLOYMENT TOTAL

	1979	1980
January	22,719	19,894
February	20,726	19,776
March	19,631	20,553
April	19,969	23,017
May	19,371	21,905
June	18,670	22,080
July	18,109	24,614
August	17,541	22,882
September	17,649	22,514
October	17,709	22,308
November	17,499	22,139
December	18,560	22,377



AVERAGE WEEKLY INSURED UNEMPLOYED

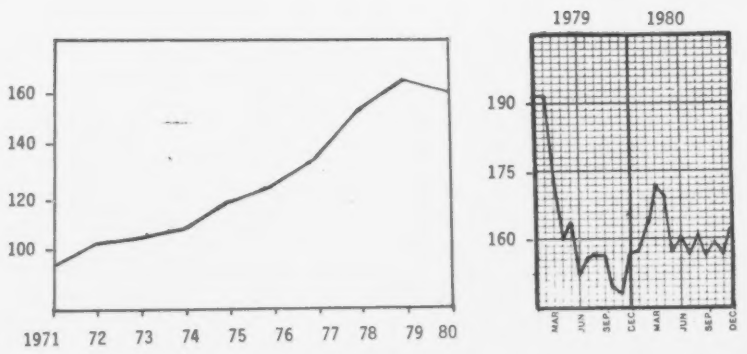
	1979	1980
January	10,209	11,063
February	8,864	9,304
March	10,247	8,182
April	9,588	13,547
May	9,964	12,164
June	8,219	10,865
July	9,566	13,275
August	8,670	11,241
September	8,293	11,816
October	9,026	12,298
November	7,934	10,217
December	7,830	11,275



COINCIDING INDICATORS

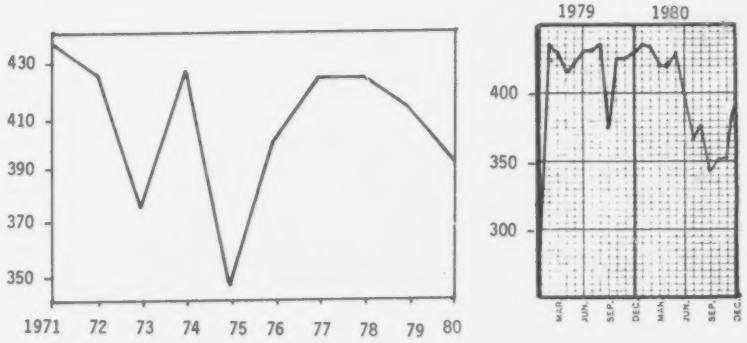
RESIDENTIAL ELECTRICAL POWER SALES INDEX (1967=100)

	1979	1980
January	191.9	157.7
February	192.0	163.6
March	173.2	172.4
April	160.0	169.7
May	163.7	157.2
June	153.3	160.3
July	155.2	156.8
August	156.0	160.8
September	156.5	156.6
October	151.8	159.4
November	150.6	156.8
December	155.9	162.2



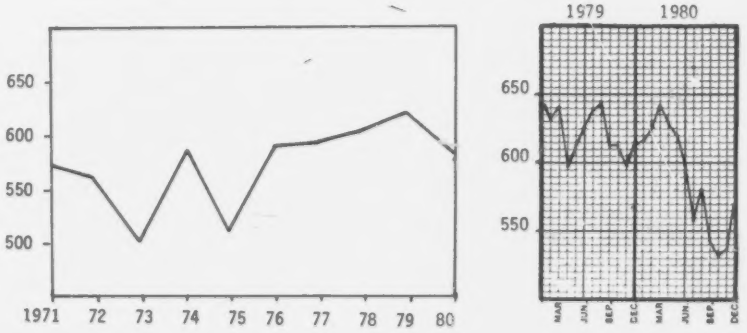
MANUFACTURING ELECTRICAL POWER SALES INDEX (1967=100)

	1979	1980
January	285.3	435.2
February	435.2	432.3
March	430.1	421.6
April	417.9	420.4
May	423.8	429.5
June	430.7	399.7
July	431.0	366.0
August	435.0	376.3
September	374.7	344.0
October	426.9	351.1
November	425.8	353.1
December	429.0	387.7



COMMERCIAL-INDUSTRIAL ELECTRICAL POWER SALES INDEX (1967=100)

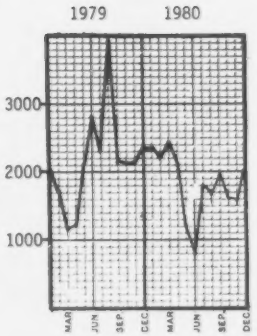
	1979	1980
January	642.5	615.9
February	634.3	627.6
March	640.3	642.6
April	597.2	629.6
May	614.4	620.9
June	627.0	598.3
July	638.0	558.1
August	644.6	580.6
September	613.1	543.7
October	613.8	532.5
November	598.4	536.3
December	613.4	569.9



COINCIDING INDICATORS

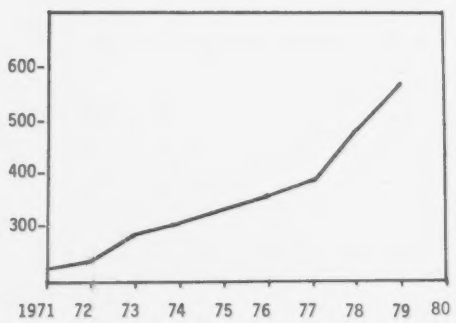
NEW CAR REGISTRATIONS

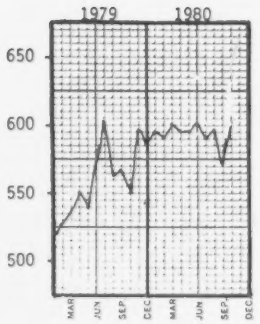
	1979	1980
January	2001	2335
February	1709	2207
March	1165	2427
April	1201	2109
May	2102	1224
June	2802	791
July	2299	1801
August	3946	1682
September	2154	1962
October	2111	1600
November	2128	1591
December	2335	2018



MONTANA
PERSONAL INCOME
(IN MILLION DOLLARS)

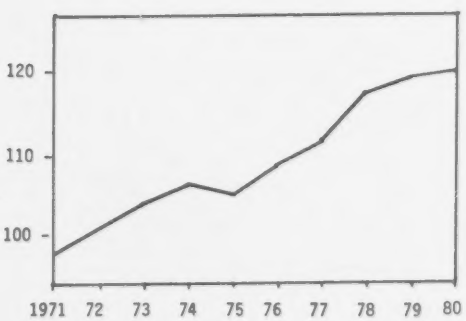
	1979	1980
January	520	596
February	527	591
March	536	601
April	551	595
May	539	596
June	573	602
July	604	590
August	564	597
September	568	572
October	550	599
November	596	
December	586	

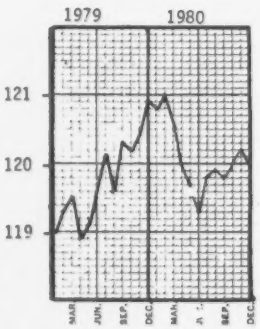




NONAGRICULTURAL
EMPLOYMENT INDEX
U.S.: 1972=100

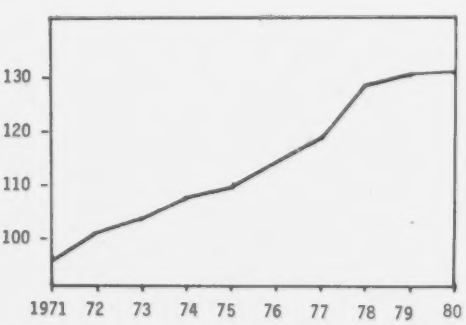
	1979	1980
January	119.0	120.8
February	119.3	121.0
March	119.5	120.5
April	118.9	120.0
May	119.1	119.7
June	119.5	119.3
July	120.1	119.8
August	119.6	119.9
September	120.3	119.8
October	120.2	120.0
November	120.4	120.2
December	120.9	120.0

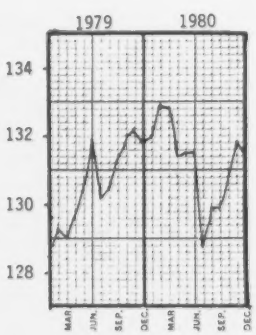




NONAGRICULTURAL
EMPLOYMENT INDEX
MONTANA: 1972=100

	1979	1980
January	128.8	132.0
February	129.3	132.9
March	129.0	132.8
April	129.6	131.4
May	130.6	131.5
June	131.9	131.5
July	130.2	128.8
August	130.5	129.9
September	131.3	129.9
October	132.0	130.8
November	132.1	131.8
December	131.8	131.5

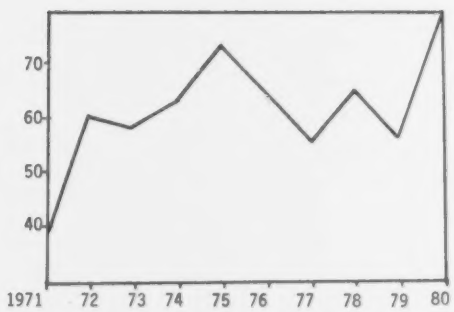


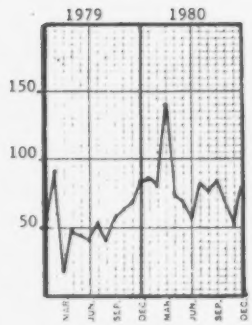


SELECTED INDICATORS

OIL AND GAS WELLS COMPLETED

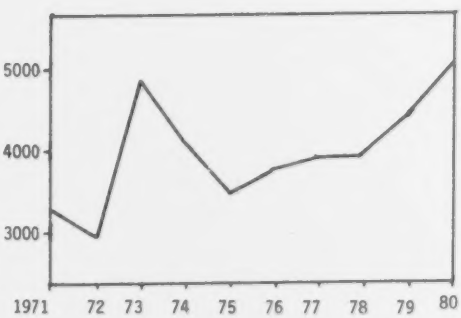
	1979	1980
January	57	86
February	92	80
March	19	140
April	49	74
May	45	70
June	41	58
July	54	82
August	42	77
September	57	84
October	64	69
November	68	51
December	84	79

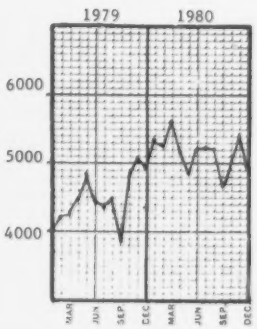




NATURAL GAS WITHDRAWLS (MILLION CU.FT.)

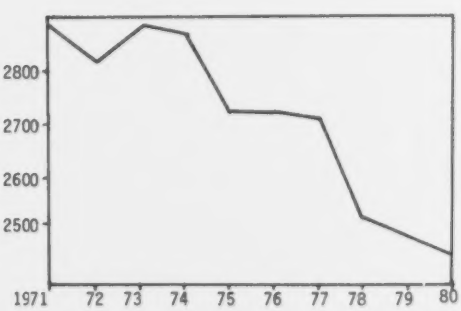
	1979	1980
January	4070.8	5349.7
February	4204.4	5279.6
March	4268.4	5602.6
April	4469.2	5175.6
May	4851.6	4878.3
June	4435.7	5214.4
July	4347.9	5222.1
August	4487.7	5211.5
September	3862.1	4647.3
October	4867.7	5050.4
November	5089.8	5441.8
December	4915.8	4930.3

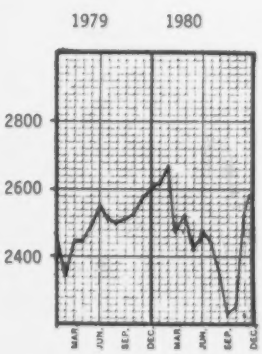




OIL PRODUCTION (THOUSAND BARRELS)

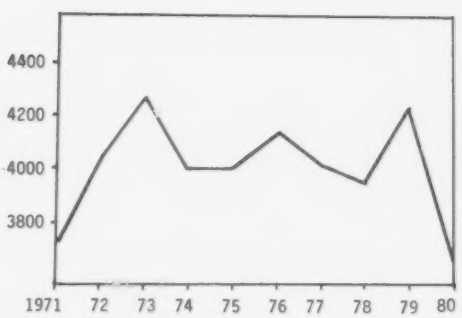
	1979	1980
January	2470.9	2620.0
February	2345.6	2667.6
March	2441.1	2478.7
April	2433.1	2520.1
May	2497.9	2411.1
June	2549.9	2465.9
July	2517.9	2447.9
August	2504.5	2361.6
September	2518.3	2232.2
October	2529.6	2253.2
November	2577.5	2525.4
December	2609.8	2583.3

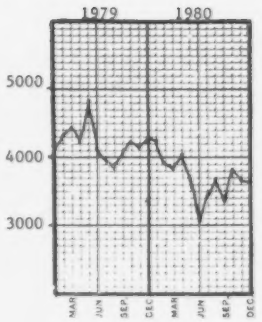




OIL REFINED
(THOUSAND BARRELS)

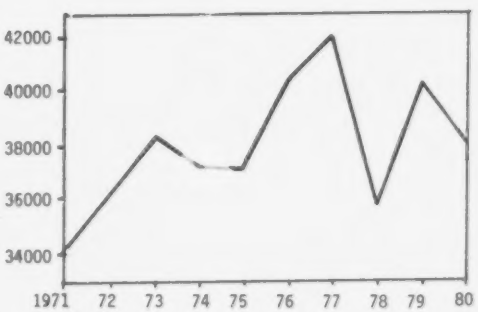
	1979	1980
January	4154	4249
February	4321	3932
March	4458	3865
April	4321	4053
May	4874	3677
June	4147	3071
July	3988	3466
August	3941	3694
September	4032	3384
October	4226	3822
November	4166	3660
December	4297	3652

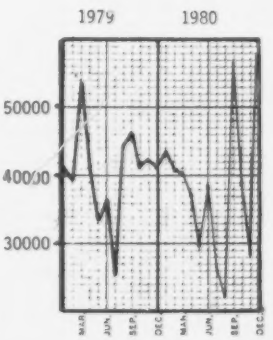




TAXABLE GALLONS
GASOLINE
(THOUSAND GALLONS)

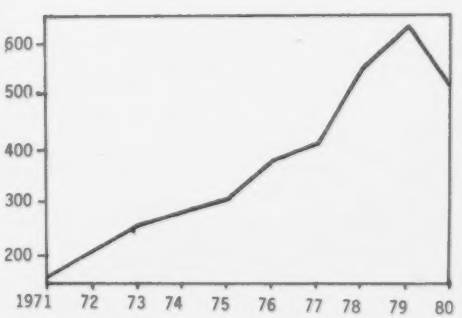
	1979	1980
January	41942	43351
February	39609	40752
March	53881	40230
April	41105	37129
May	33891	29968
June	36678	38446
July	25340	26769
August	44470	22306
September	46161	56853
October	41248	38669
November	42245	28400
December	41162	57612

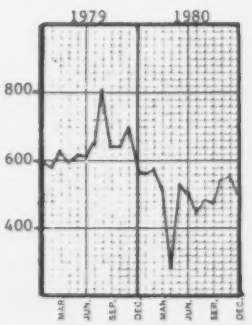




HELP WANTED
ADVERTISING
(FROM 5 MAJOR CITY DAILIES)

	1979	1980
January	597	567
February	583	577
March	630	514
April	596	384
May	617	531
June	615	508
July	658	445
August	801	512
September	643	497
October	644	544
November	696	558
December	577	505





EMPLOYMENT IN MONTANA'S INDUSTRIAL SECTORS: 4th Quarter 1980

All industrial sectors showed increases in employment during the fourth quarter. Non-agricultural wage and salary employment rose from an average of 274,600 in the third quarter to 279,700 for the fourth quarter of 1980.

With some lumber and wood products workers being called back to work, the employment in this industrial sector rose from 8,300 in the third quarter to 9,000 during the fourth quarter. Mining layoffs caused mining employment to drop from approximately 8,500 in the first half of 1980 to about 7,000 by the end of 1980.

Lumber and wood products, along with contract construction, showed considerable declines in employment during the first half of 1980. By the end of 1980, employment in these sectors had begun to rise again.

Wholesale and retail trade employment dropped substantially during 1980. This was due mostly to the decrease in retail trade. Retail trade had fallen from about 56,000 during 1979 to about 53,900 in the last half of 1980.

Very little change was seen in employment of government, and finance, insurance and real estate industries. The services industry continued to grow slightly when employment rose by about 1000 during the fourth quarter.

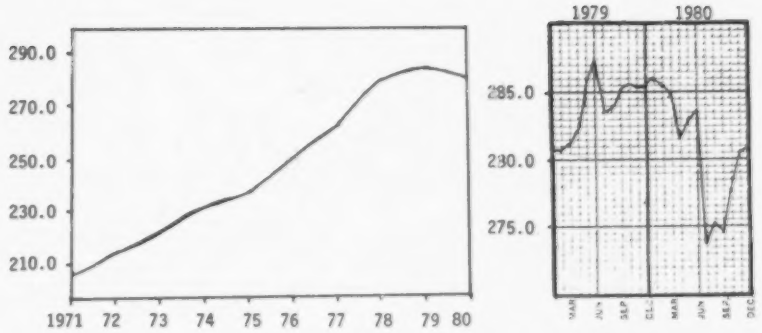
In comparing 1979 to 1980, nonagricultural wage and salary employment registered a decrease of approximately 3,300. In 1979, non-ag employment totaled 283,800, and in 1980, the total fell to 280,500.

Manufacturing employment dropped from an average of 27,000 in 1979 to an average of 23,600 during 1980. With interest rates up and the housing market down, a substantial decrease is seen in contract construction which averaged 15,700 employees during 1979 and 14,700 during 1980. During the same period of time, the lumber and wood products industry recorded a decrease of 1,300 workers. As interest rates come down, these numbers will be expected to rise. With increases in employment during the fourth quarter, the growth in the economy is expected to continue in 1981.

INDUSTRIAL EMPLOYMENT

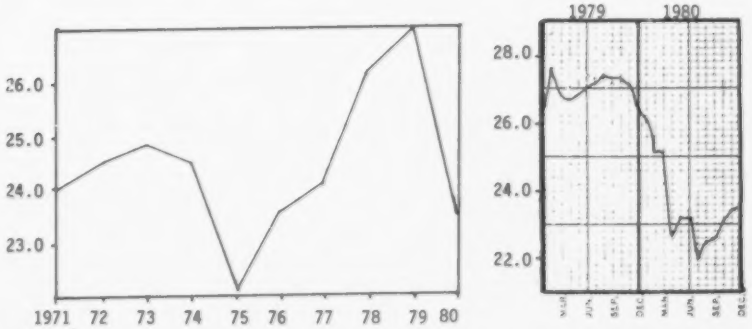
NONAGRICULTURAL WAGE AND SALARY (IN THOUSANDS)

	1979	1980
January	280.6	285.9
February	280.6	285.4
March	281.1	284.8
April	282.1	281.6
May	285.3	282.9
June	287.4	283.6
July	283.5	273.8
August	283.8	275.2
September	285.1	274.7
October	285.5	277.8
November	285.4	280.5
December	285.4	280.8



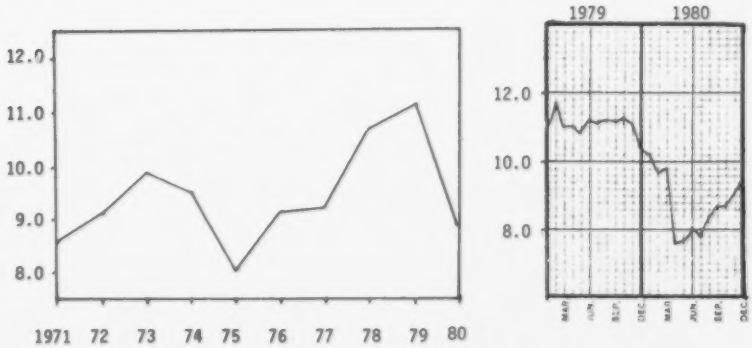
MANUFACTURING EMPLOYMENT (IN THOUSANDS)

	1979	1980
January	26.5	26.1
February	27.6	25.1
March	26.8	25.1
April	26.7	22.7
May	26.8	23.2
June	27.0	23.2
July	27.1	22.0
August	27.4	22.5
September	27.3	22.6
October	27.3	23.1
November	27.1	23.4
December	26.5	23.5



LUMBER AND WOOD PRODUCTS (IN THOUSANDS)

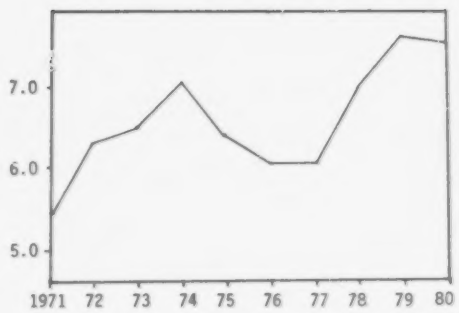
	1979	1980
January	11.1	10.2
February	11.7	9.7
March	11.0	9.8
April	11.0	7.6
May	10.9	7.7
June	11.2	8.0
July	11.1	7.8
August	11.2	8.4
September	11.2	8.7
October	11.3	8.7
November	11.1	9.1
December	10.5	9.3

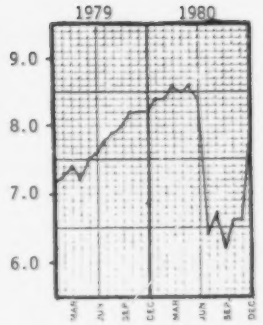


INDUSTRIAL EMPLOYMENT

MINING (IN THOUSANDS)

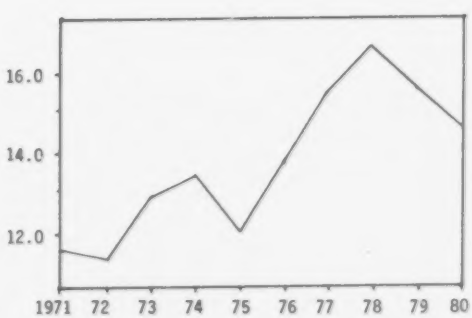
	1979	1980
January	7.2	8.4
February	7.3	8.4
March	7.4	8.6
April	7.2	8.5
May	7.5	8.6
June	7.6	8.4
July	7.8	6.4
August	7.9	6.7
September	8.0	6.2
October	8.2	6.6
November	8.2	6.6
December	8.2	7.7

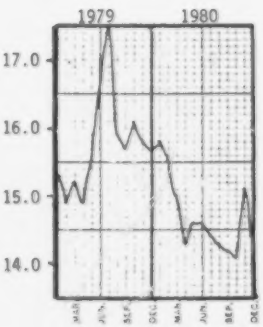




CONTRACT CONSTRUCTION (IN THOUSANDS)

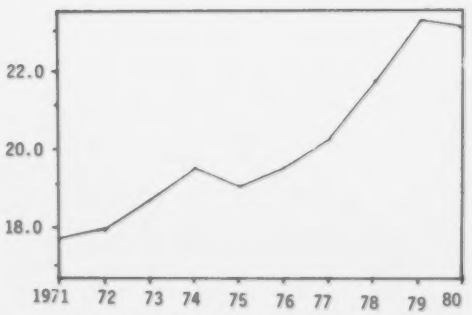
	1979	1980
January	15.3	15.8
February	14.9	15.5
March	15.2	15.0
April	14.9	14.3
May	15.5	14.6
June	16.4	14.6
July	17.5	14.4
August	15.9	14.3
September	15.7	14.2
October	16.1	14.1
November	15.8	15.1
December	15.7	14.4

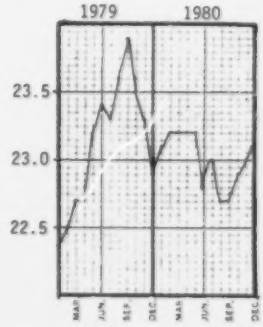




TRANSPORTATION AND PUBLIC UTILITIES (IN THOUSANDS)

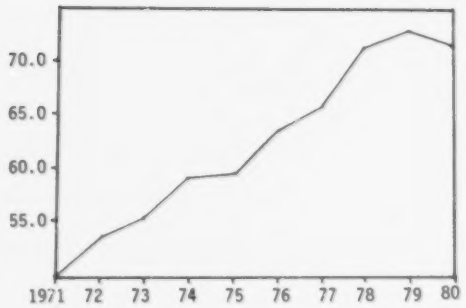
	1979	1980
January	22.4	23.1
February	22.5	23.2
March	22.7	23.2
April	22.7	23.2
May	23.2	23.2
June	23.4	22.8
July	23.3	23.0
August	23.6	22.7
September	23.9	22.7
October	23.5	22.9
November	23.3	23.0
December	22.9	23.1

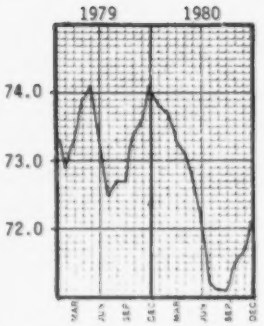




WHOLESALE AND RETAIL TRADE (IN THOUSANDS)

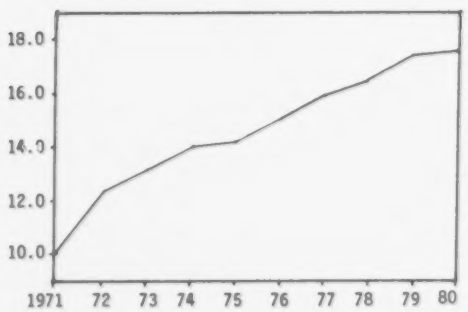
	1979	1980
January	73.3	73.8
February	72.9	73.7
March	73.3	73.3
April	73.9	73.1
May	74.1	72.7
June	74.9	72.1
July	72.5	71.2
August	72.7	71.1
September	72.7	71.1
October	73.4	71.5
November	73.6	71.7
December	74.1	72.1

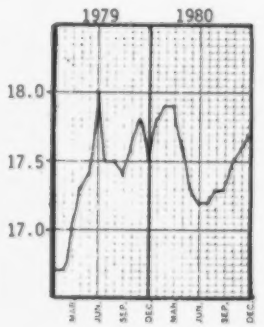




WHOLESALE TRADE (IN THOUSANDS)

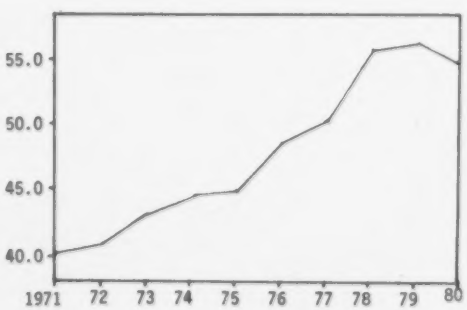
	1979	1980
January	16.7	17.8
February	16.7	17.9
March	17.0	17.9
April	17.3	17.6
May	17.4	17.3
June	18.0	17.2
July	17.5	17.2
August	17.5	17.3
September	17.4	17.3
October	17.6	17.5
November	17.8	17.6
December	17.5	17.7

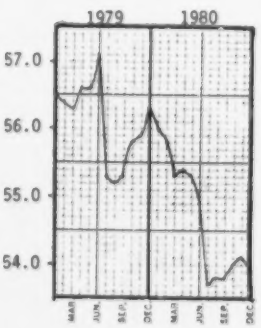




RETAIL TRADE (IN THOUSANDS)

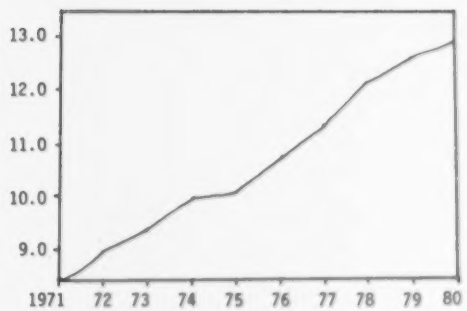
	1979	1980
January	56.5	56.0
February	56.4	55.8
March	56.3	55.3
April	56.6	55.4
May	56.6	55.3
June	57.1	54.9
July	55.3	53.7
August	55.2	53.8
September	55.3	53.8
October	55.8	54.0
November	55.9	54.1
December	56.3	54.0

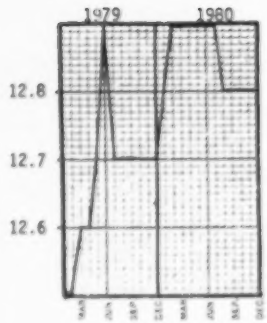




FINANCE, INSURANCE & REAL ESTATE (IN THOUSANDS)

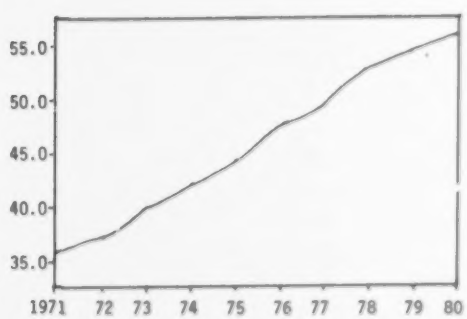
	1979	1980
January	12.5	12.8
February	12.5	12.9
March	12.6	12.9
April	12.6	12.9
May	12.7	12.9
June	12.9	12.9
July	12.7	12.8
August	12.7	12.8
September	12.7	12.8
October	12.7	12.8
November	12.7	12.8
December	12.7	12.8

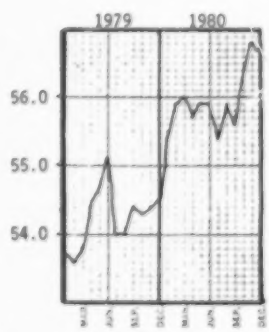




SERVICES (IN THOUSANDS)

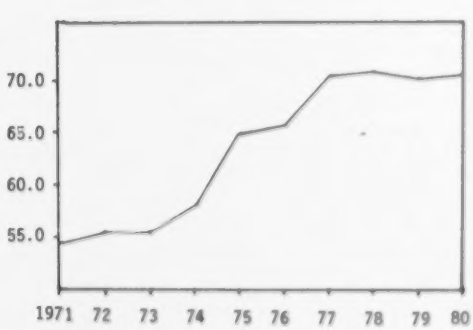
	1979	1980
January	53.7	55.44
February	53.6	55.9
March	53.8	56.0
April	54.4	55.7
May	54.7	55.9
June	55.1	55.9
July	54.0	55.4
August	54.0	55.9
September	54.4	55.6
October	54.3	56.4
November	54.4	56.8
December	54.5	56.7

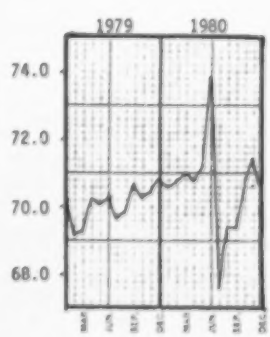




GOVERNMENT (IN THOUSANDS)

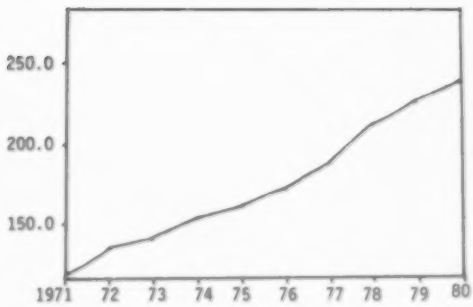
	1979	1980
January	70.2	70.6
February	69.2	70.8
March	69.3	71.0
April	70.2	70.8
May	70.1	71.2
June	70.3	73.8
July	69.7	67.6
August	69.9	69.4
September	70.7	69.4
October	70.3	70.6
November	70.5	71.4
December	70.8	70.7

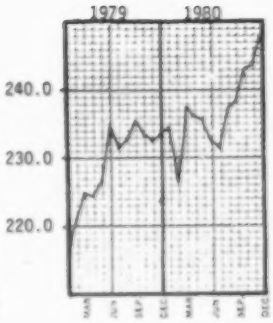




GROSS WEEKLY EARNINGS (IN DOLLARS)

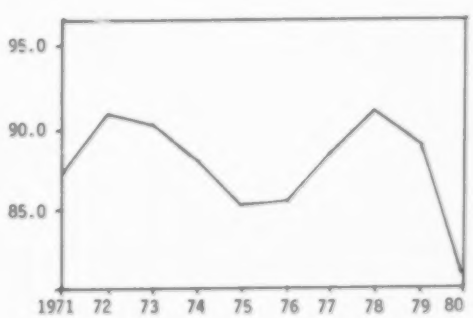
	1979	1980
January	217.37	234.61
February	221.13	226.33
March	224.88	237.50
April	224.49	236.05
May	226.91	235.67
June	234.46	232.36
July	231.35	236.29
August	232.76	237.30
September	235.40	238.29
October	233.35	243.05
November	232.61	243.99
December	233.33	247.86

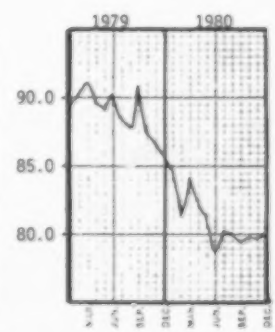




REAL WEEKLY SPENDABLE EARNINGS (IN DOLLARS)

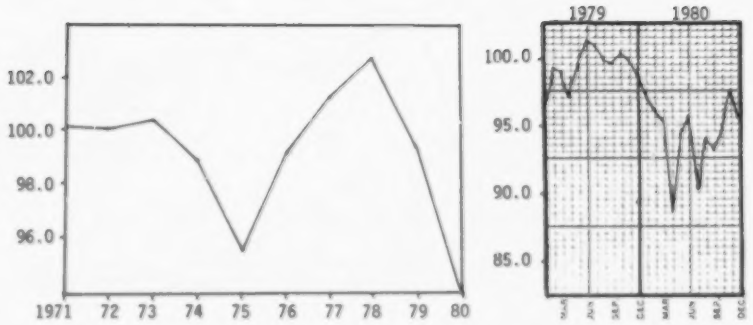
	1979	1980
January	89.67	84.82
February	90.29	81.40
March	91.02	84.12
April	89.68	82.52
May	89.19	81.39
June	90.18	78.93
July	88.60	80.28
August	87.95	80.01
September	90.80	79.50
October	87.53	79.85
November	86.70	79.79
December	85.89	79.98





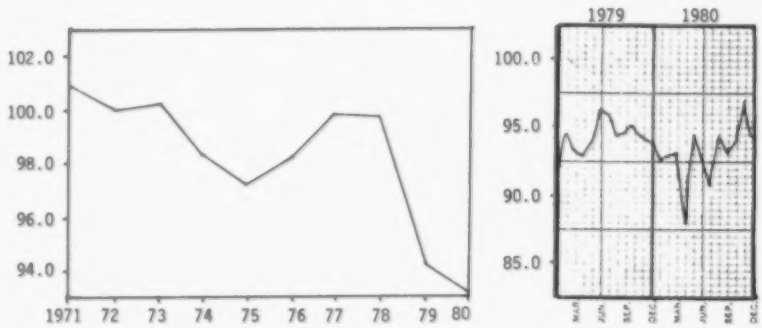
MONTANA
COMPOSITE INDEX
(1972=100)

	1979	1980
January	96.8	97.2
February	99.3	96.2
March	98.9	95.4
April	97.2	88.6
May	99.4	94.3
June	101.3	92.6
July	101.0	90.4
August	99.8	93.9
September	99.6	93.3
October	100.4	95.0
November	99.8	97.4
December	98.7	95.5



MARGINAL EMPLOYMENT
ADJUSTMENT INDEX
(1972=100)

	1979	1980
January	92.3	92.8
February	94.6	92.9
March	93.4	93.0
April	93.1	88.1
May	94.0	94.7
June	96.4	92.8
July	96.0	90.8
August	94.5	94.5
September	94.8	93.3
October	95.0	94.1
November	94.3	96.9
December	93.9	94.2



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MONTANA ECONOMIC INDICATORS

First Quarter 1981

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MONTANA
ECONOMIC INDICATORS

AN ANALYSIS OF PAST AND PRESENT ECONOMIC TRENDS

STATE OF MONTANA

TED SCHWINDEN, GOVERNOR

DEPARTMENT OF LABOR AND INDUSTRY
DAVID L. HUNTER, COMMISSIONER

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Volume VIII Number 1

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Mountain Bell Telephone Company

Business Week

Employment, Hours and Earnings, and Labor Turnover data produced in cooperation with U. S. Department of Labor, Bureau of Labor Statistics, and the Employment and Training Administration.

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Average Weekly Spendable Earnings	
Montana Composite Index	23
Marginal Employment Adjustments Composite Index	

DEFINITIONS

Seasonal Adjustment- A mathematical procedure in which average seasonal fluctuations are removed from the origional data leaving a time series that may be analyzed for underlying trends. Seasonal adjustment will be designated by the terms seasonally adjusted, adjusted, or adj.. All indicators are seasonally adjusted unless noted, in which case the origional data is presented and designated by the terms not seasonally adjusted, raw data, unadjusted, or unadj.

Economic Indicators- Statistical time series whose cyclical characteristics are known and fairly stable, particularly in the timing of their cyclical peaks and troughs relative to business cycles turns. Economic Indicators are used for the interpretation of past, current, and anticipation of prospective business conditions.

Business Cycles--Sequences of expansions and contractions of aggregate economic activity such as production, employment, income, and trade are defined as business cycles.

Leading Indicator- An economic time series that tends to reverse direction sufficiently in advance of changes in the business cycle.

Coinciding Indicator- An economic time series that parallels changes in the business cycle.

Lagging Indicator- An economic time series that reverses direction after that of the business cycle.

Selected Indicator- An economic time series whose timing to business cycles is unknown, but is of interest to Montana's economy.

Index- Any economic time series which indicates change in a factor from a reference year. The reference year is designated as 100 in this publication and may be selected arbitrarily. All indexes in this publication will designate the year selected, such as 1967 = 100; 1972 = 100, etc.

Montana Composite Index- A composite of six indicators of employment and economic activity: Building Permits, Manufacturing Employment: Average Weekly Hours in Manufacturing, Average Weekly Initial Claims, Accession Rate in Manufacturing, and Layoff rate in Manufacturing. A reverse trend has been used for the Layoff Rate and Average Weekly Initial Claims. The components are converted to a series of standardized changes and weights according to their significance and reliability as economic indicators in making the composite, indexed to 1972 = 100.

Real Spendable Earnings- Real spendable average weekly earnings of private nonagricultural production workers represents the earnings of a hypothetical worker after deductions for State Income, Federal Income, and Social Security taxes, and adjustment for change in purchasing power since 1967. This individual is assumed to be the sole support for a family of four, earn the average weekly gross earnings of production workers in Montana's private non-agricultural industries, and take standard tax tables. Purchasing power was adjusted by deflating Spendable Earnings based on the national ALL Items Consumer Price Index.

A NOTE ABOUT BENCHMARKING AND SEASONAL ADJUSTMENT CHANGES

Because of new benchmarks and new seasonal adjustment factors, some of the series in this publication have been changed to take into account the latest information available. 1980 benchmarks, which reflect the most recent and complete estimates of employment, account for revisions to indicators dealing with total and industry detailed employment. These benchmark levels are revised annually to adjust for sampling errors and any changes to industrial classifications. In addition, all of those series requiring seasonal adjustment have also been revised to reflect the most recent seasonal adjustment factors. Changes in these seasonal series can be attributed to the inclusion of 1980 data in the BLS seasonal adjustment method.

All numbers used in this publication are seasonally adjusted.

FIRST QUARTER ANALYSIS: 1981

The first quarter of 1981 displayed mixed movement in Montana's economic indicators. The leading, coinciding and selected indicators include a total of 28 components. Half of these components registered positive movement, while the other half registered either little change or negative movement. Overall, the indicators appear to show little change since the fourth quarter, 1980. During the fourth quarter, nearly two thirds of the components recorded good signs. Generally speaking, this shows the economy is moving in a positive direction.

Of the leading indicators, improvement was noted in four of the components. They were; total number of building permits, new corporations, the manufacturing quit rate and average weekly initial claims. Total non-agricultural placements dropped by an average of 580 per month during the 1st quarter. Manufacturing layoffs, accessions, new hires and weekly hours all registered negative movement from January through March.

Montana's coinciding indicators, which parallel changes in the business cycle, are moving in a positive direction. Average weekly insured unemployed dropped by over 2000 per month during the first quarter. The manufacturing electric power sales index, along with the commercial-industrial electric power sales index, displayed significant improvement from January through March. New car registrations jumped from a monthly average of 1736 during the fourth quarter, 1980 to an average of 2375 during the first quarter of 1981.

Very little change was noted in the unemployment total and the unemployment rate. The fourth quarter unemployment total averaged 22,300 and the first quarter, 1981 averaged 22,500. The unemployment rate dropped from a fourth quarter figure of 6.0% to 5.9% from January through March.

The selected indicators posted slight negative movements in some of the oil and gas related components. Taxable gallons of gasoline slipped from 41,560 per month in the fourth quarter to 40,341 per month during the first quarter, 1981. Natural gas withdrawals totaled 5140 million cubic feet during the fourth quarter, 1980, and in the first three months of 1981, totaled an average of 4582 million. From January through March oil production rose while oil refined fell. Oil and gas wells completed and help wanted advertising both showed some improvement over the previous quarter.

Both Montana's nonagricultural employment index and the U.S. non-agricultural employment index continued to grow. The Montana index increased from 127.0 to 129.3 during the first quarter. The U.S. non-agricultural employment index rose from an average of 120.1 per month from October through December, 1980 to 121.0 per month from January through March, 1981.

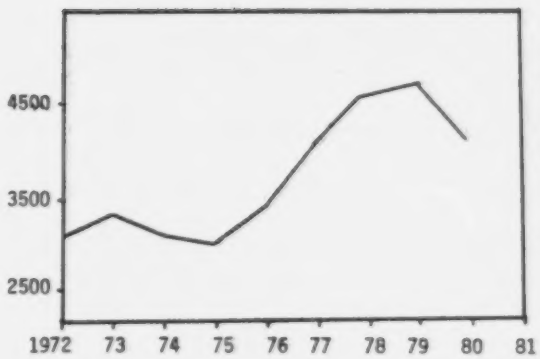
The composite index and the marginal employment adjustment index both registered slight decreases during the first quarter. The Montana Composite Index dropped from 96.0 to 95.5, while the marginal employment adjustment index went from 95.1 to 94.5.

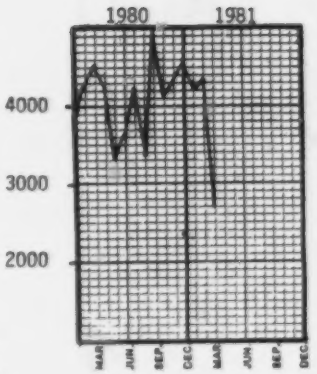
The first quarter of 1981 posted declines in Montana's real weekly spendable earnings, as gross weekly earnings continued to climb. The biggest reason for the continuous decrease in real weekly spendable earnings is due to the rate of inflation.

LEADING INDICATORS

TOTAL NON-AGRICULTURAL PLACEMENTS

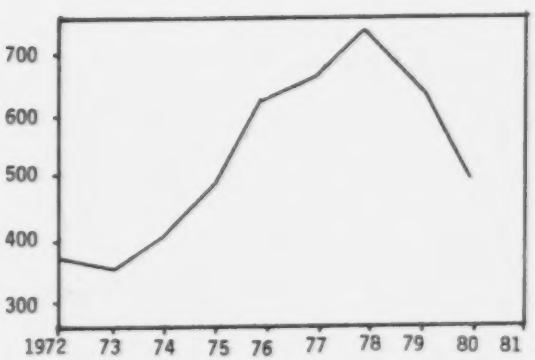
	1980	1981
January	3983	4224
February	4270	4352
March	4525	2704
April	4259	
May	3337	
June	3649	
July	4243	
August	3394	
September	4999	
October	4146	
November	4335	
December	4538	

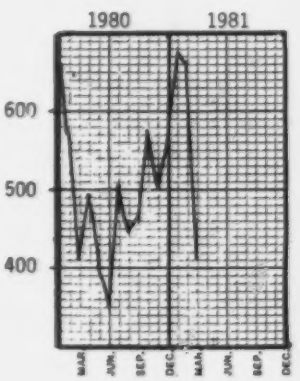




TOTAL NUMBER OF BUILDING PERMITS

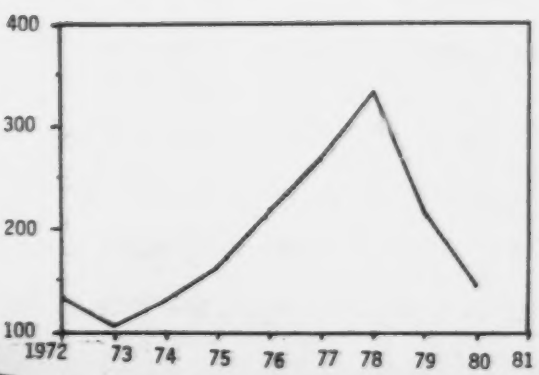
	1980	1981
January	657	676
February	571	661
March	411	414
April	494	
May	403	
June	351	
July	507	
August	447	
September	465	
October	575	
November	506	
December	557	

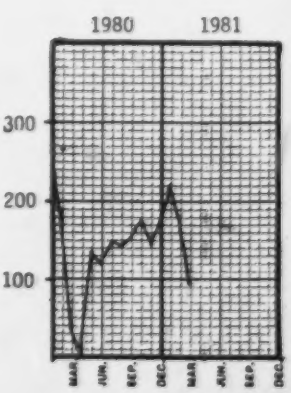




NUMBER OF RESIDENTIAL BUILDING PERMITS

	1980	1981
January	234	221
February	184	163
March	39	95
April	4	
May	135	
June	121	
July	148	
August	143	
September	153	
October	177	
November	145	
December	174	



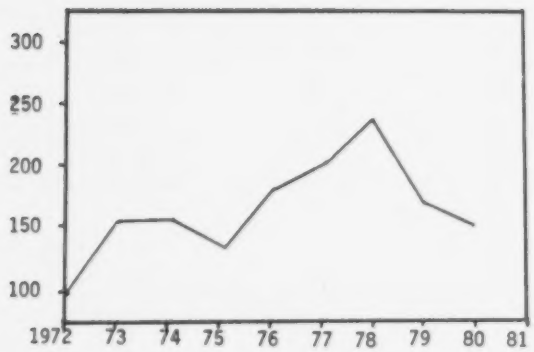


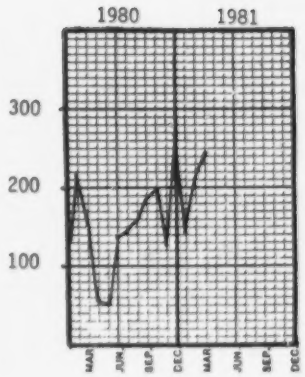
BEST AVAILABLE COPY

LEADING INDICATORS

NEW BUSINESS TELEPHONES

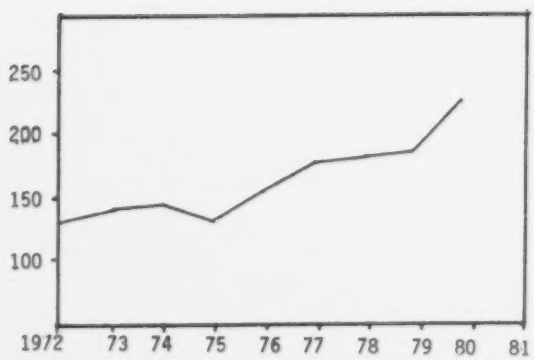
	1980	1981
January	135	141
February	218	213
March	154	245
April	58	
May	53	
June	138	
July	145	
August	159	
September	185	
October	197	
November	124	
December	267	

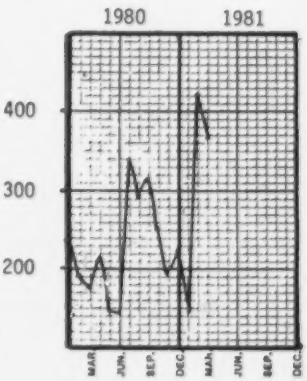




NEW CORPORATIONS

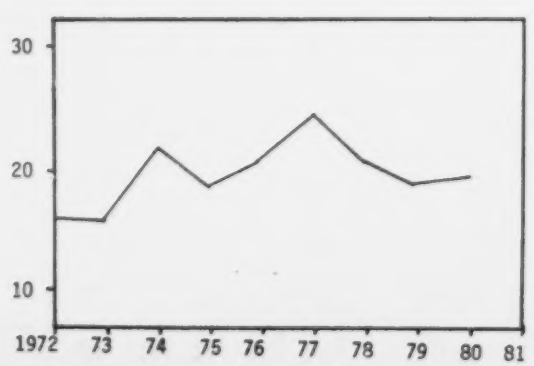
	1980	1981
January	227	145
February	190	422
March	176	366
April	216	
May	146	
June	145	
July	339	
August	294	
September	316	
October	251	
November	194	
December	225	

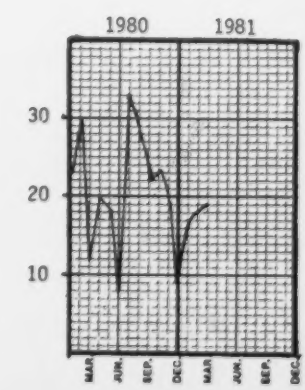




WITHDRAWALS AND DISSOLUTIONS OF CORPORATIONS

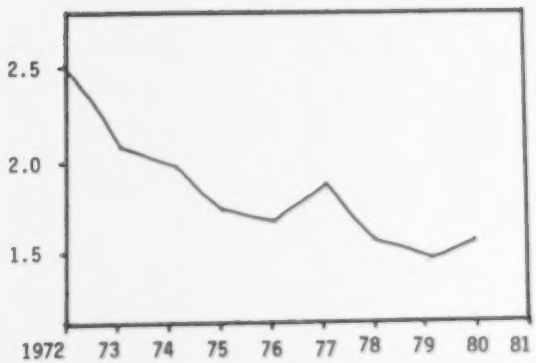
	1980	1981
January	21	16
February	30	18
March	12	19
April	20	
May	18	
June	8	
July	33	
August	28	
September	22	
October	23	
November	19	
December	9	

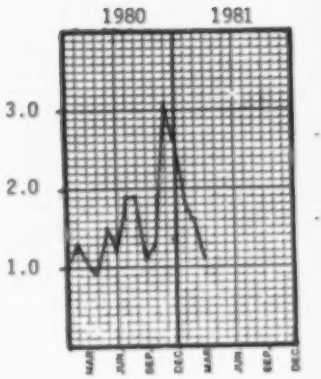




MANUFACTURING QUIT RATE (PER 100 EMPLOYEES)

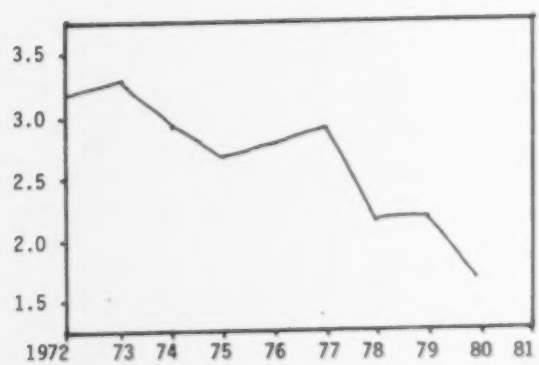
	1980	1981
January	1.0	1.8
February	1.3	1.6
March	1.1	1.1
April	.9	
May	1.5	
June	1.2	
July	1.9	
August	1.9	
September	1.1	
October	1.3	
November	3.1	
December	2.6	

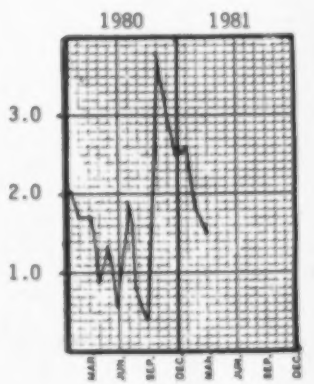




NEW HIRES IN MANUFACTURING (PER 100 EMPLOYEES)

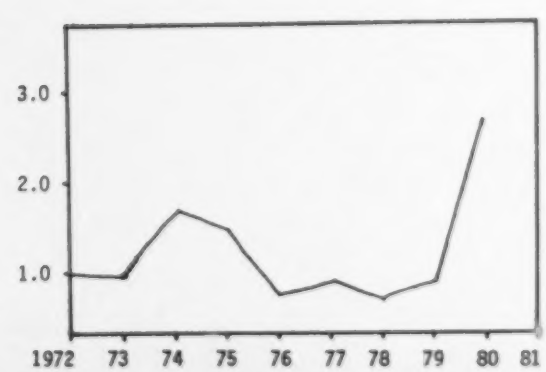
	1980	1981
January	2.0	2.6
February	1.7	1.8
March	1.7	1.5
April	1.0	
May	1.4	
June	.6	
July	1.9	
August	.8	
September	.4	
October	3.8	
November	3.1	
December	2.6	

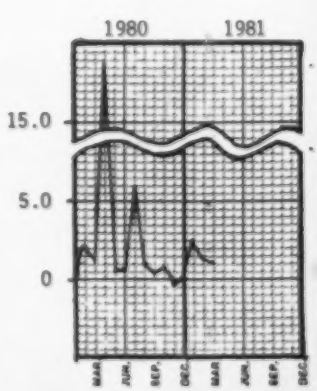




MANUFACTURING LAYOFF RATE (PER 100 EMPLOYEES)

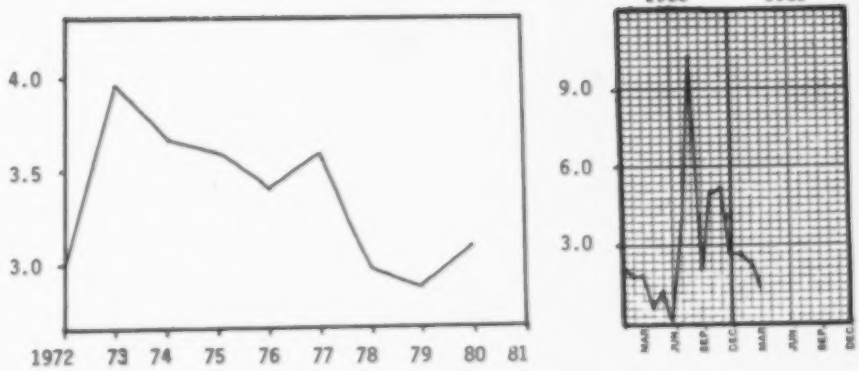
	1980	1980
January	.3	2.5
February	2.2	1.4
March	1.3	1.2
April	18.8	
May	.5	
June	.7	
July	5.9	
August	1.0	
September	.4	
October	.8	
November	-.3	
December	.1	





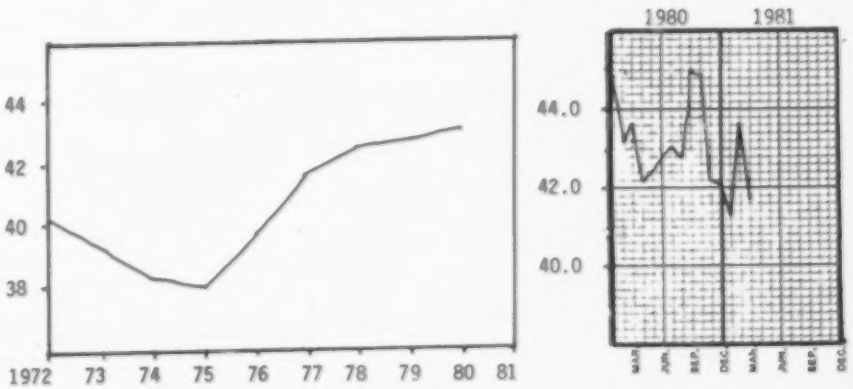
MANUFACTURING ACCESSION RATE (PER 100 EMPLOYEES)

	1980	1981
January	2.0	2.6
February	1.9	2.4
March	1.9	1.6
April	.7	
May	1.3	
June	0.0	
July	3.8	
August	10.8	
September	2.2	
October	5.0	
November	5.2	
December	2.7	



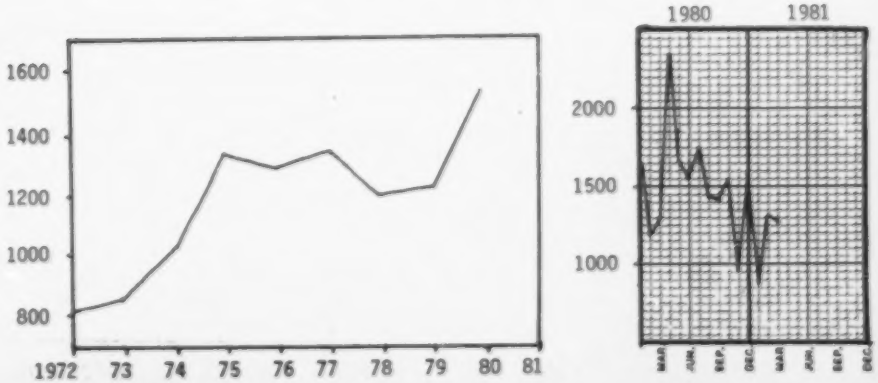
MANUFACTURING AVERAGE WEEKLY HOURS

	1980	1981
January	44.8	41.3
February	43.2	43.6
March	43.6	41.7
April	42.2	
May	42.5	
June	42.8	
July	43.0	
August	42.8	
September	45.0	
October	44.9	
November	42.2	
December	42.1	



AVERAGE WEEKLY INITIAL CLAIMS

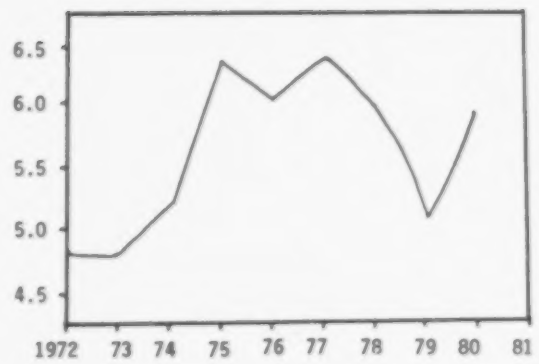
	1980	1981
January	1640	883
February	1197	1314
March	1299	1276
April	2346	
May	1659	
June	1551	
July	1749	
August	1443	
September	1435	
October	1540	
November	975	
December	1588	

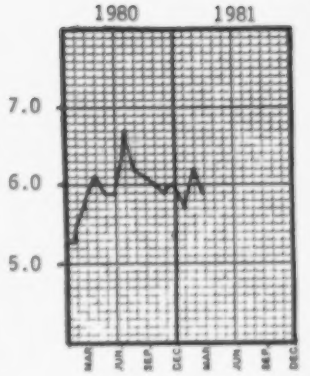


COINCIDING INDICATORS

UNEMPLOYMENT RATE (PERCENT)

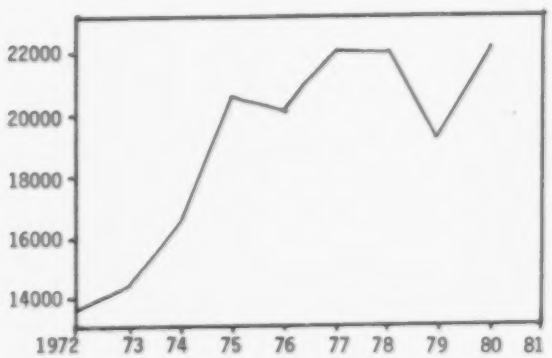
	1980	1981
January	5.3	5.7
February	5.3	6.2
March	5.8	5.9
April	6.1	
May	5.9	
June	5.9	
July	6.7	
August	6.2	
September	6.1	
October	6.0	
November	5.9	
December	6.0	

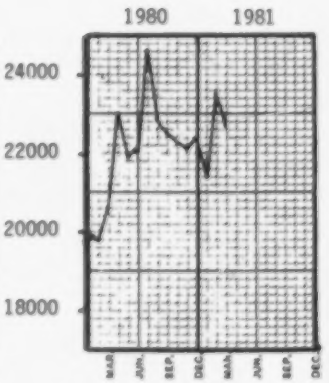




UNEMPLOYMENT TOTAL

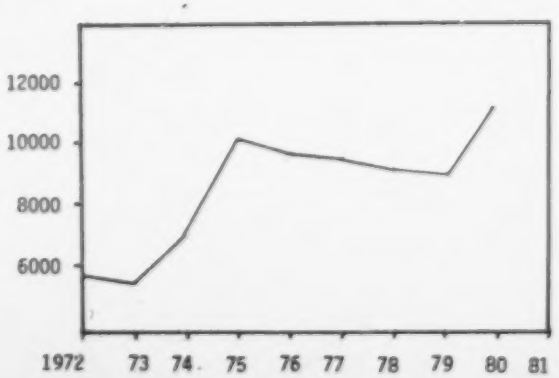
	1980	1981
January	19.9	21.4
February	19.8	23.5
March	20.6	22.7
April	23.0	
May	21.9	
June	22.1	
July	24.6	
August	22.9	
September	22.5	
October	22.3	
November	22.1	
December	22.4	

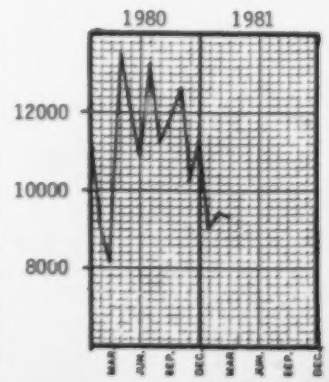




AVERAGE WEEKLY INSURED UNEMPLOYED

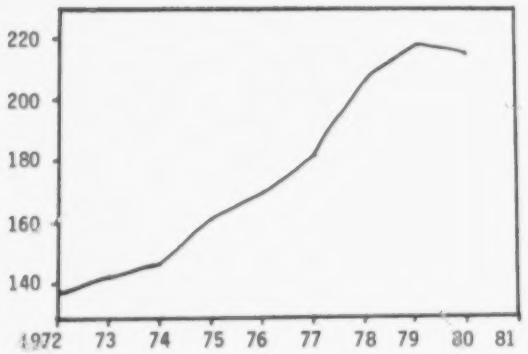
	1980	1981
January	11063	9040
February	9304	9423
March	8182	9391
April	13547	
May	12164	
June	10865	
July	13275	
August	11241	
September	11816	
October	12632	
November	10217	
December	11275	

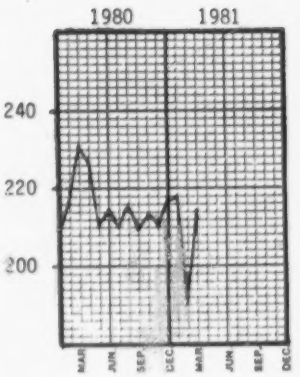




RESIDENTIAL ELECTRICAL POWER SALES INDEX (1967=100

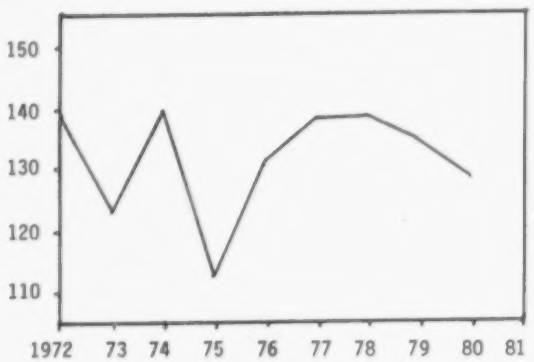
	1980	1981
January	211.3	217.8
February	219.2	190.8
March	231.0	214.4
April	227.3	
May	210.7	
June	214.8	
July	210.1	
August	215.5	
September	209.8	
October	213.6	
November	213.1	
December	217.3	

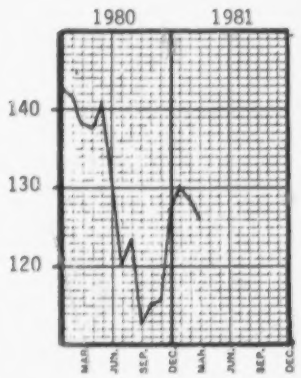




MANUFACTURING ELECTRICAL POWER SALES INDEX (1967=100)

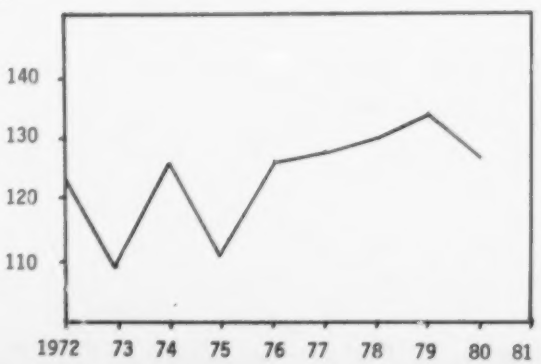
	1980	1981
January	142.8	130.1
February	141.8	128.8
March	138.3	126.1
April	137.9	
May	140.9	
June	131.1	
July	120.1	
August	123.5	
September	112.9	
October	115.2	
November	115.9	
December	127.2	

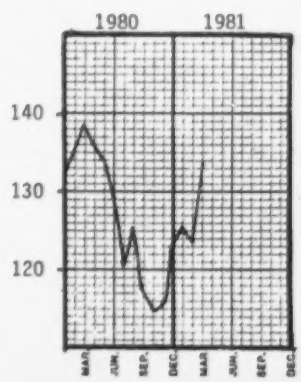




COMMERCIAL-INDUSTRIAL ELECTRICAL POWER SALES INDEX (1967=100)

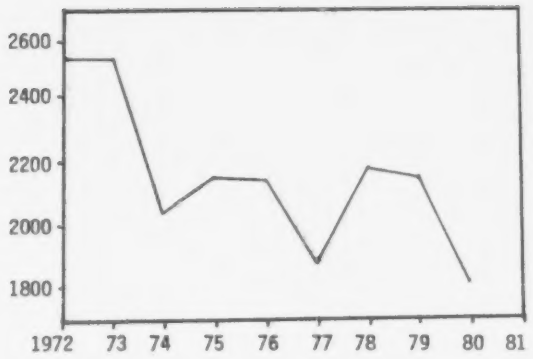
	1980	1981
January	132.9	125.5
February	135.5	123.5
March	138.7	133.5
April	135.9	
May	134.0	
June	129.1	
July	120.5	
August	125.3	
September	117.4	
October	114.9	
November	115.8	
December	123.0	

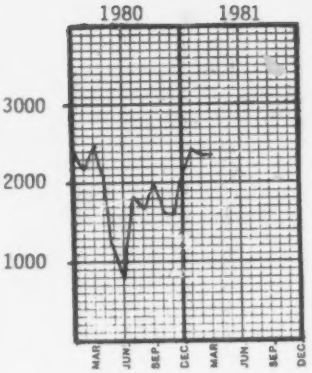




NEW CAR REGISTRATIONS

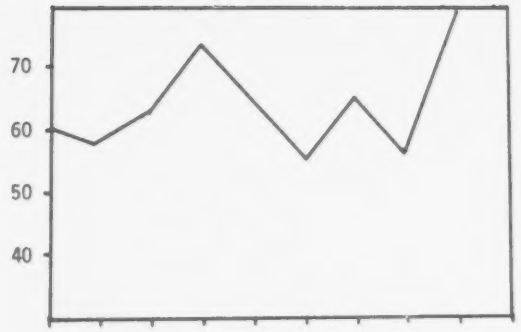
	1980	1981
January	2335	2416
February	2207	2351
March	2427	2355
April	2109	
May	1224	
June	791	
July	1801	
August	1682	
September	1962	
October	1600	
November	1591	
December	2018	

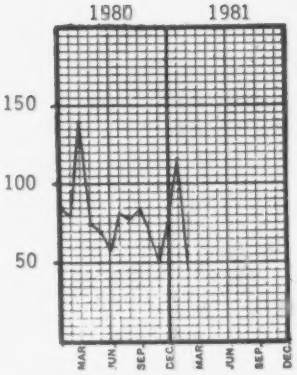




OIL AND GAS WELLS COMPLETED

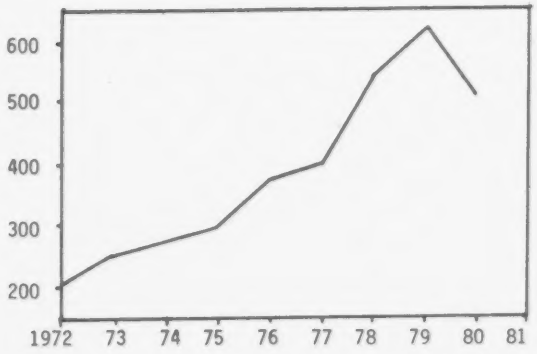
	1980	1981
January	86	116
February	80	46
March	140	
April	74	
May	70	
June	58	
July	82	
August	77	
September	84	
October	69	
November	51	
December	79	

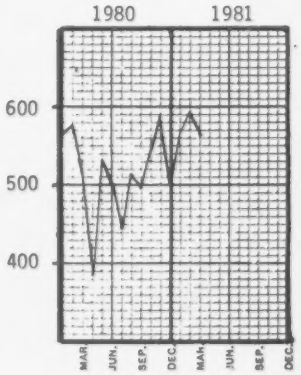




HELP WANTED ADVERTISING (FROM 5 MAJOR CITY DAILIES)

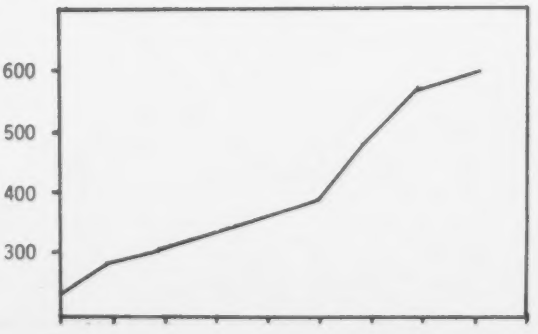
	1980	1981
January	567	564
February	577	592
March	514	563
April	384	
May	531	
June	508	
July	445	
August	512	
September	497	
October	544	
November	588	
December	505	

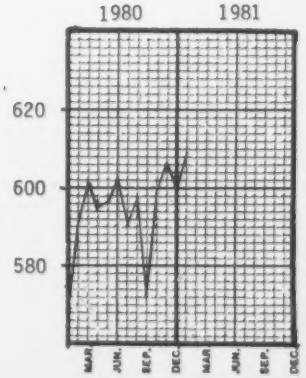




MONTANA PERSONAL INCOME (IN MILLION DOLLARS)

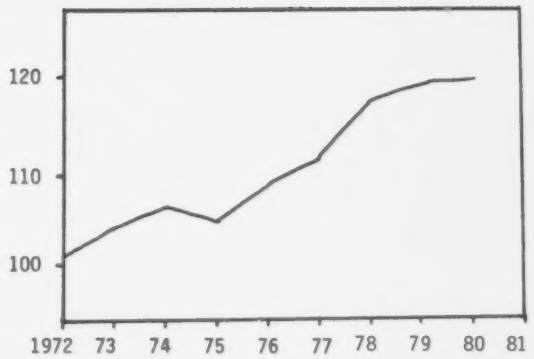
	1980	1981
January	569.3	609.3
February	591.8	
March	601.1	
April	595.3	
May	596.5	
June	602.3	
July	590.2	
August	597.5	
September	572.0	
October	599.0	
November	606.2	
December	600.1	

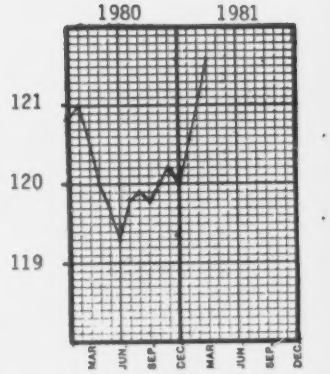




NONAGRICULTURAL EMPLOYMENT INDEX
U.S.: 1972=100

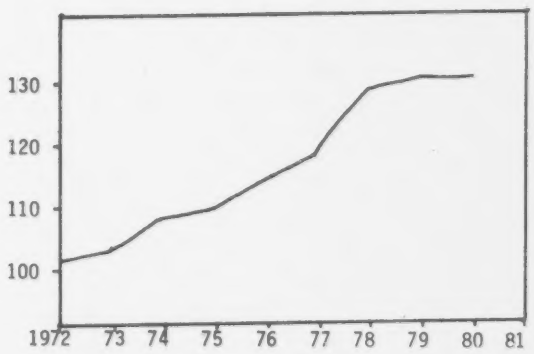
	1980	1981
January	120.8	120.5
February	121.0	121.0
March	120.5	121.6
April	120.0	
May	119.7	
June	119.3	
July	119.8	
August	119.9	
September	119.8	
October	120.0	
November	120.2	
December	120.0	

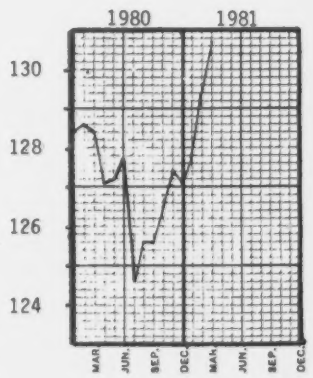




NONAGRICULTURAL EMPLOYMENT INDEX
MONTANA: 1972=100

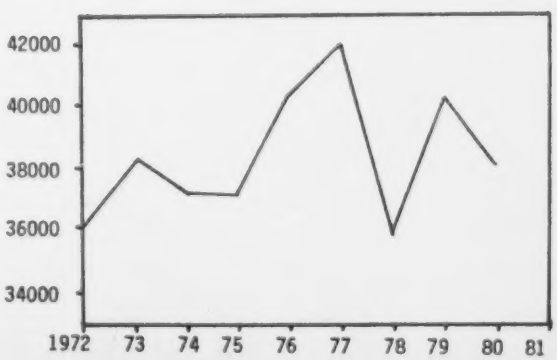
	1980	1981
January	128.4	127.8
February	128.6	129.4
March	128.4	130.7
April	127.1	
May	127.2	
June	127.7	
July	124.6	
August	125.6	
September	125.6	
October	126.5	
November	127.4	
December	127.1	

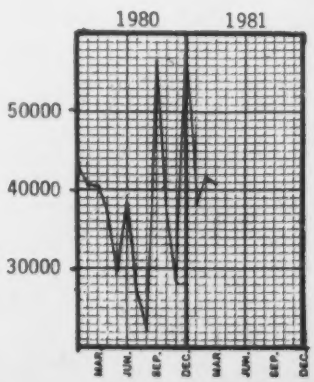




TAXABLE GALLONS
GASOLINE
(THOUSAND GALLONS)

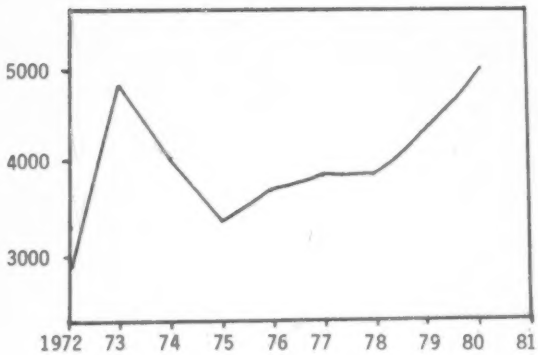
	1980	1981
January	43351	38162
February	40752	41891
March	40230	40972
April	37129	
May	29968	
June	38446	
July	26764	
August	22306	
September	56853	
October	38669	
November	28400	
December	57612	

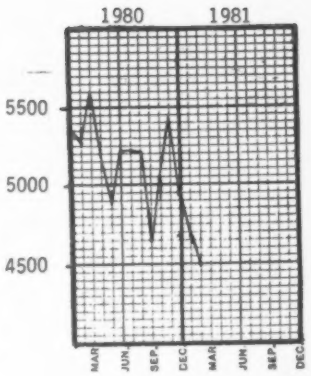




NATURAL GAS WITHDRAWLS (MILLION CU.FT.)

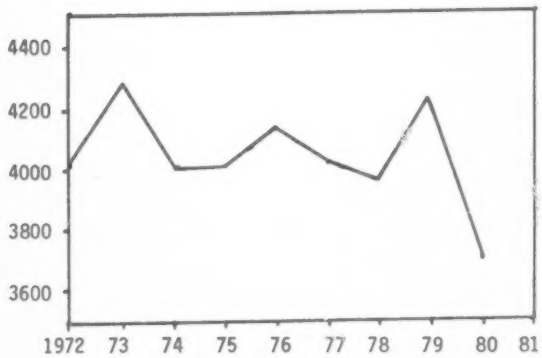
	1980	1981
January	5350	4665
February	5280	4499
March	5603	
April	5176	
May	4878	
June	5214	
July	5222	
August	5212	
September	4647	
October	5050	
November	5442	
December	4930	

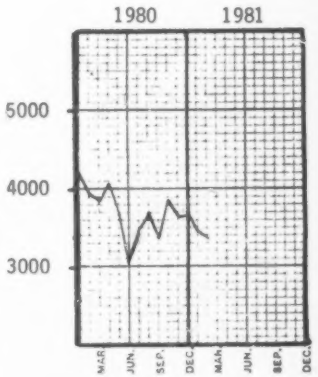




OIL REFINED (THOUSAND BARRELS)

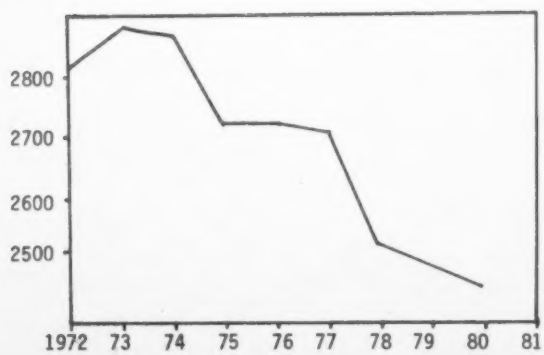
	1980	1981
January	4249	3468
February	3932	3380
March	3865	
April	4053	
May	3677	
June	3071	
July	3466	
August	3694	
September	3384	
October	3822	
November	3660	
December	3652	

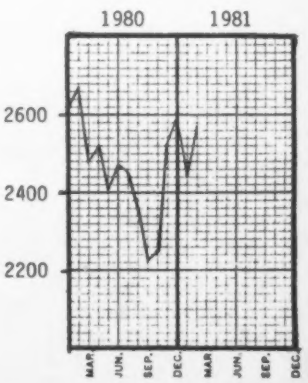




OIL PRODUCTION (THOUSAND BARRELS)

	1980	1981
January	2620	2445
February	2668	2576
March	2479	
April	2520	
May	2411	
June	2466	
July	2448	
August	2362	
September	2232	
October	2253	
November	2525	
December	2583	





EMPLOYMENT IN MONTANA'S INDUSTRIAL SECTORS: 1st Quarter 1981

Industrial employment in 1980 dropped below the 1979 averages in nearly all sectors, but during the first three months of 1981 the averages have increased in every industry except one, which remained the same.

Manufacturing employment was the only industry during the first quarter which did not post an increase. Employment stayed the same at 23,300.

Non-agricultural wage and salary employment rose to an average of 279,700. The 1980 average was reported at 280,600.

Some industries reporting considerable growth include; contract construction which rose from 14,500 to 16,000, and in 1980 averaged 14,700. Retail trade jumped from 54,000 to 55,400 which compares to 55,700 during the first quarter of 1980. Services also showed a substantial increase as it rose from 56,600 during the fourth quarter, 1980 to 58,200 in the first quarter of 1981. During 1980, the average monthly employment in services totaled 56,600.

The mining industry and transportation and public utilities rose by 1100 and 1000 respectively, while the lumber and wood products industry increased by only 500 over the last quarter of 1980.

Wholesale trade and Government each rose by 800 employees during the first quarter, 1981. Both these industries recorded employment growth of nearly 1000 over their 1980 averages.

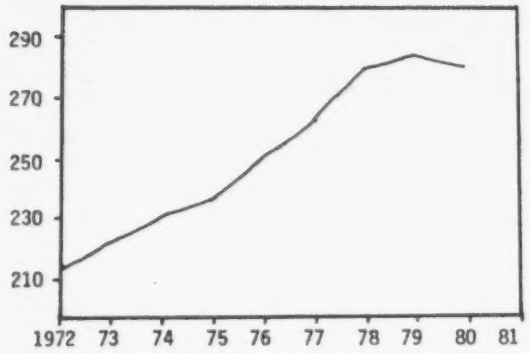
Finance, Insurance, and Real Estate registered much the same employment as it did during all of 1980 with employment of 12,900, only 100 more than the 1980 average.

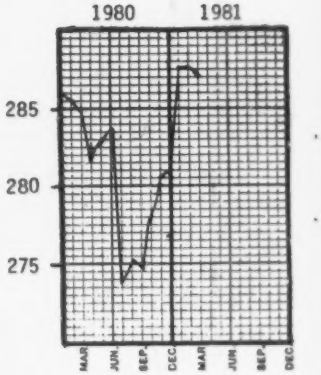
Little change is expected during the second quarter. There will be a lot of seasonal employment, but is should not reflect a big change in employment after seasonal adjustments are taken into account.

INDUSTRIAL EMPLOYMENT

NONAGRICULTURAL WAGE AND SALARY (IN THOUSANDS)

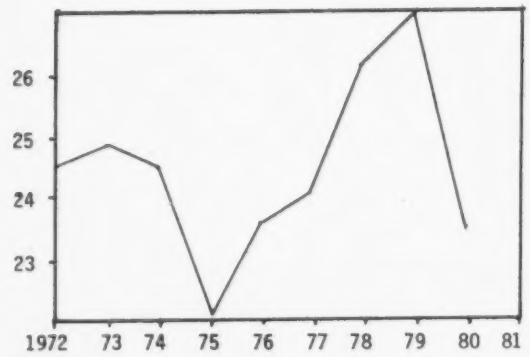
	1980	1981
January	285.9	287.6
February	285.4	287.7
March	284.8	287.1
April	281.6	
May	282.9	
June	283.6	
July	273.8	
August	275.2	
September	274.7	
October	277.8	
November	280.5	
December	280.8	

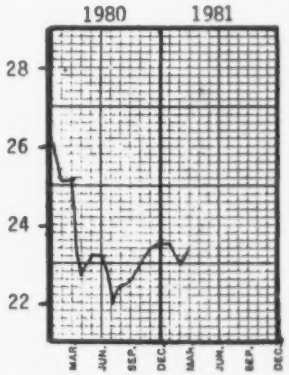




MANUFACTURING EMPLOYMENT (IN THOUSANDS)

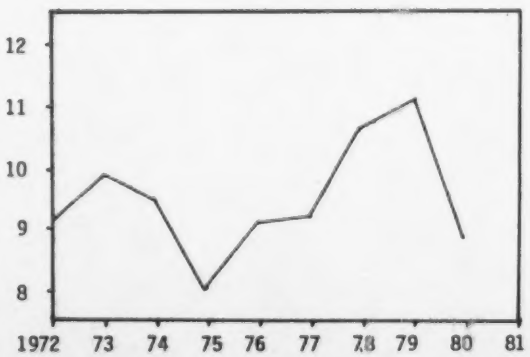
	1980	1981
January	26.1	23.5
February	25.1	23.0
March	25.1	23.4
April	22.7	
May	23.2	
June	23.2	
July	22.0	
August	22.5	
September	22.6	
October	23.1	
November	23.4	
December	23.5	

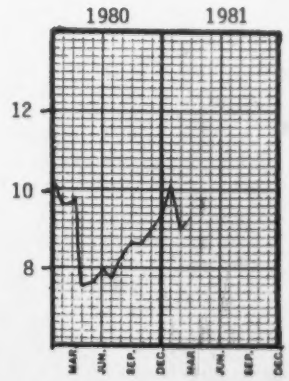




LUMBER AND WOOD PRODUCTS (IN THOUSANDS)

	1980	1981
January	10.2	10.1
February	9.7	9.0
March	9.8	9.3
April	7.6	
May	7.7	
June	8.0	
July	7.8	
August	8.4	
September	8.7	
October	8.7	
November	9.1	
December	9.3	

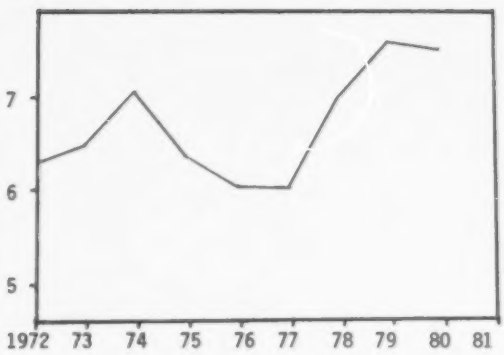


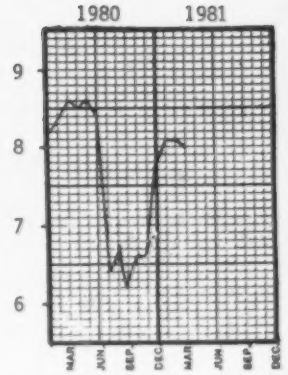


INDUSTRIAL EMPLOYMENT

MINING
(IN THOUSANDS)

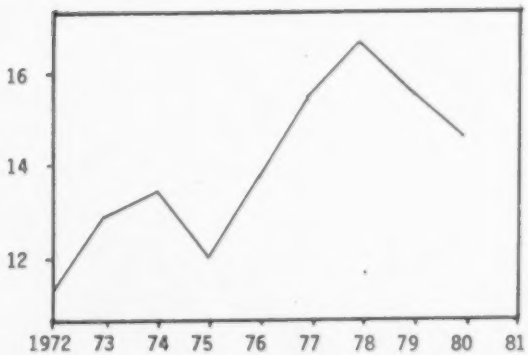
	1980	1981
January	8.4	8.1
February	8.4	8.1
March	8.6	8.0
April	8.5	
May	8.6	
June	8.4	
July	6.4	
August	6.7	
September	6.2	
October	6.6	
November	6.6	
December	7.7	

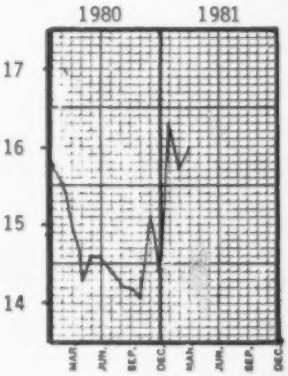




CONTRACT CONSTRUCTION
(IN THOUSANDS)

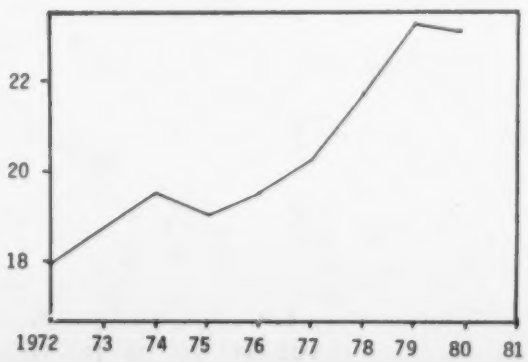
	1980	1981
January	15.8	16.3
February	15.5	15.7
March	15.0	16.0
April	14.3	
May	14.6	
June	14.6	
July	14.4	
August	14.3	
September	14.2	
October	14.1	
November	15.1	
December	14.4	

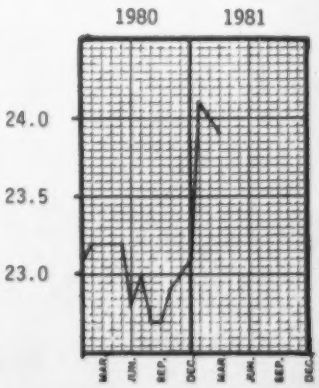




TRANSPORTATION AND PUBLIC UTILITIES
(IN THOUSANDS)

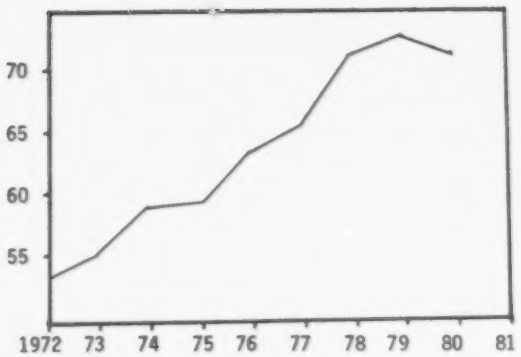
	1980	1981
January	23.1	24.1
February	23.2	24.0
March	23.2	23.9
April	23.2	
May	23.2	
June	22.8	
July	23.0	
August	22.7	
September	22.7	
October	22.9	
November	23.0	
December	23.1	

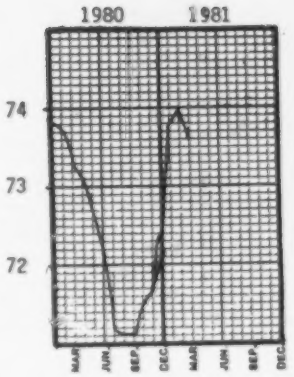




WHOLESALE AND RETAIL TRADE (IN THOUSANDS)

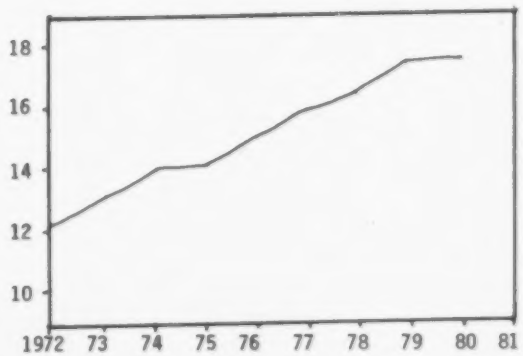
	1980	1981
January	73.8	73.8
February	73.7	74.0
March	73.3	73.6
April	73.1	
May	72.7	
June	72.1	
July	71.2	
August	71.1	
September	71.1	
October	71.5	
November	71.7	
December	72.1	

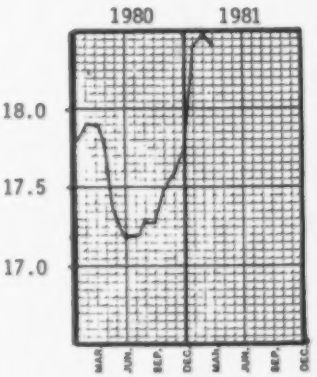




WHOLESALE TRADE (IN THOUSANDS)

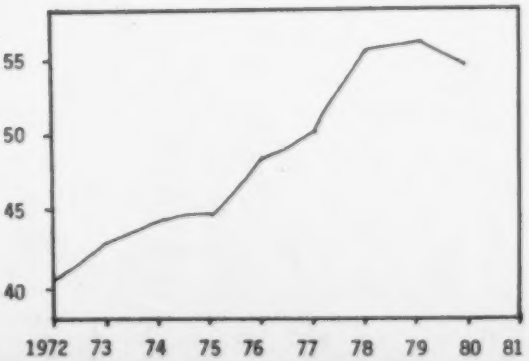
	1980	1981
January	17.8	18.4
February	17.9	18.5
March	17.9	18.4
April	17.6	
May	17.3	
June	17.2	
July	17.2	
August	17.3	
September	17.3	
October	17.5	
November	17.6	
December	17.7	

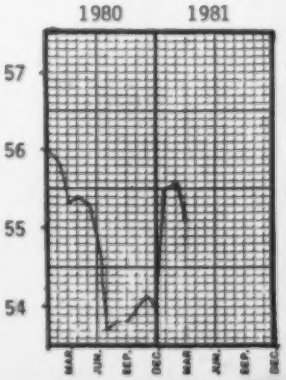




RETAIL TRADE (IN THOUSANDS)

	1980	1981
January	56.0	55.5
February	55.8	55.6
March	55.3	55.1
April	55.4	
May	55.3	
June	54.9	
July	53.7	
August	53.8	
September	53.8	
October	54.0	
November	54.1	
December	54.0	

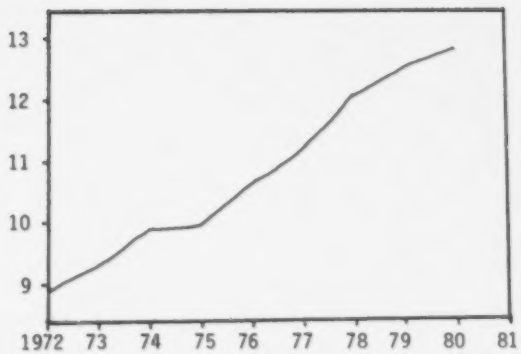


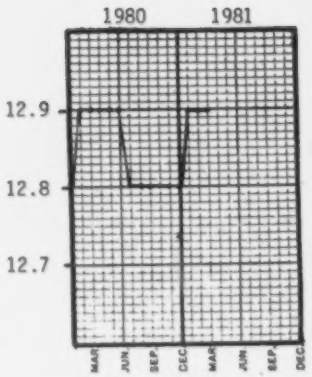


INDUSTRIAL EMPLOYMENT

FINANCE, INSURANCE & REAL ESTATE (IN THOUSANDS)

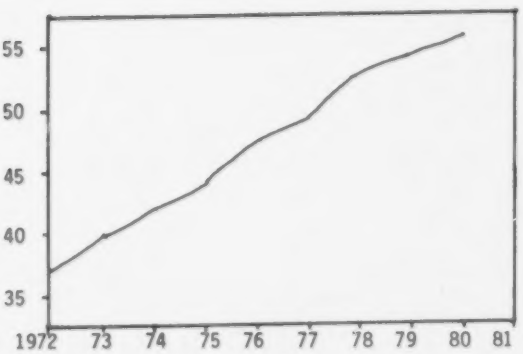
	1980	1981
January	12.8	12.9
February	12.9	12.9
March	12.9	12.9
April	12.9	
May	12.9	
June	12.9	
July	12.8	
August	12.8	
September	12.8	
October	12.8	
November	12.8	
December	12.8	

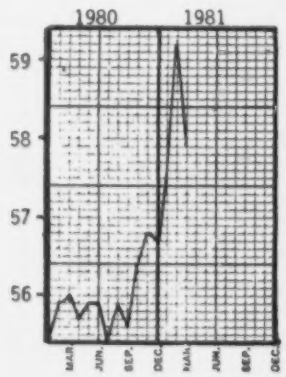




SERVICES (IN THOUSANDS)

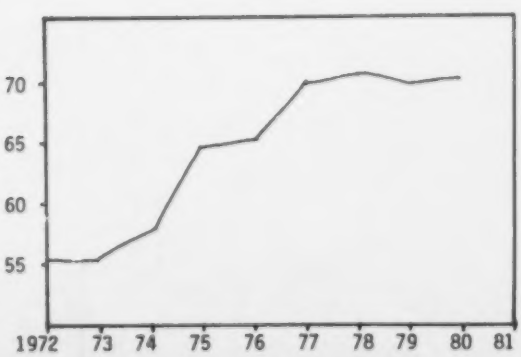
	1980	1981
January	55.4	57.5
February	55.9	59.2
March	56.0	57.9
April	55.7	
May	55.9	
June	55.9	
July	55.4	
August	55.9	
September	55.6	
October	56.4	
November	56.8	
December	56.7	

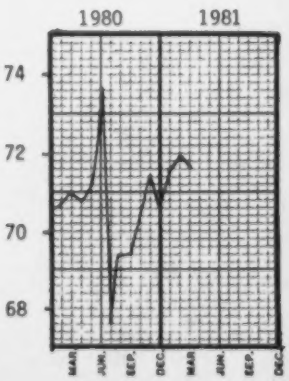




GOVERNMENT (IN THOUSANDS)

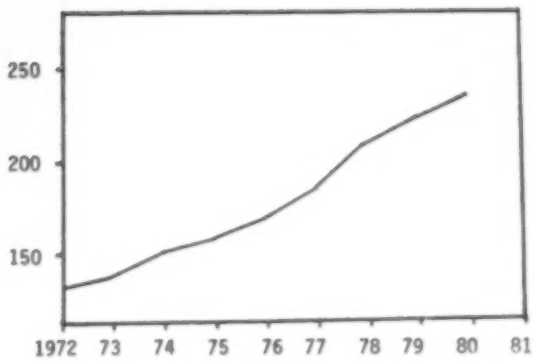
	1980	1981
January	70.6	71.6
February	70.8	71.9
March	71.0	71.7
April	70.8	
May	71.2	
June	73.8	
July	67.6	
August	69.4	
September	69.4	
October	70.6	
November	71.4	
December	70.7	

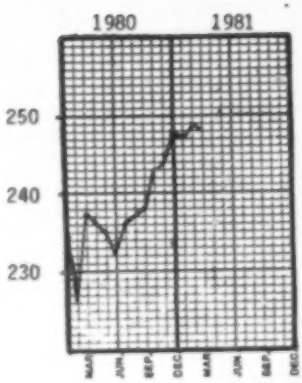




GROSS WEEKLY EARNINGS (IN DOLLARS)

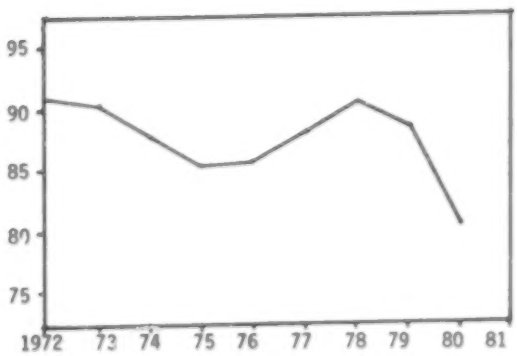
	1980	1981
January	234.61	247.32
February	226.33	248.84
March	237.50	248.00
April	236.05	
May	235.67	
June	232.36	
July	236.29	
August	237.30	
September	238.29	
October	243.05	
November	243.99	
December	247.86	

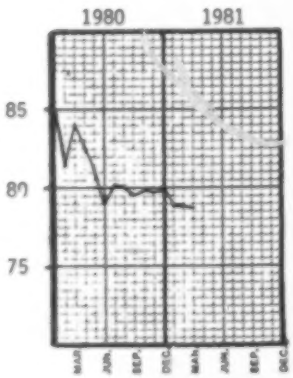




REAL WEEKLY SPENDABLE EARNINGS (IN DOLLARS)

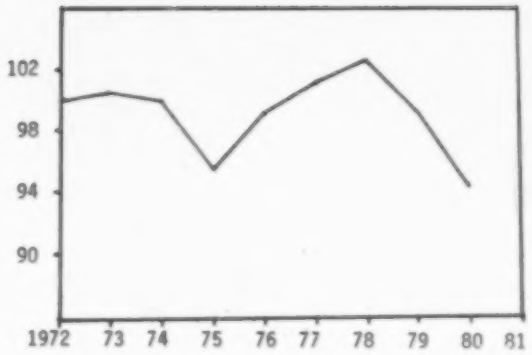
	1980	1981
January	84.82	78.89
February	81.40	78.78
March	84.12	78.64
April	82.52	
May	81.39	
June	78.93	
July	80.28	
August	80.01	
September	79.50	
October	79.85	
November	79.79	
December	79.98	

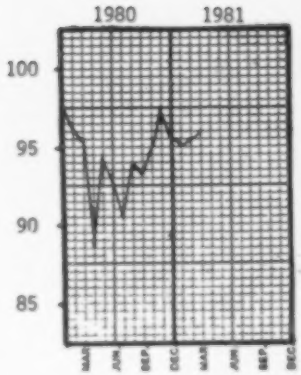




MONTANA
COMPOSITE INDEX
(1972=100)

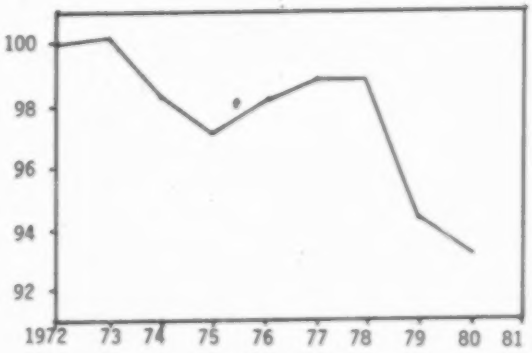
	1980	1981
January	97.2	95.1
February	96.2	95.4
March	95.4	95.9
April	88.6	
May	94.3	
June	92.6	
July	90.4	
August	93.9	
September	93.3	
October	95.0	
November	97.4	
December	95.5	

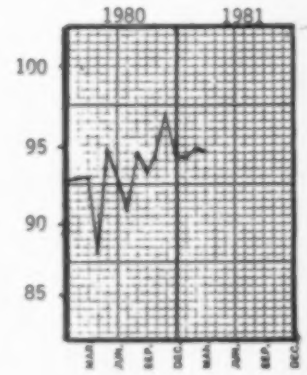




MARGINAL EMPLOYMENT
ADJUSTMENT INDEX
(1972=100)

	1980	1981
January	92.8	94.2
February	92.9	94.8
March	93.0	94.5
April	88.1	
May	94.7	
June	92.8	
July	90.8	
August	94.5	
September	93.3	
October	94.1	
November	96.9	
December	94.2	





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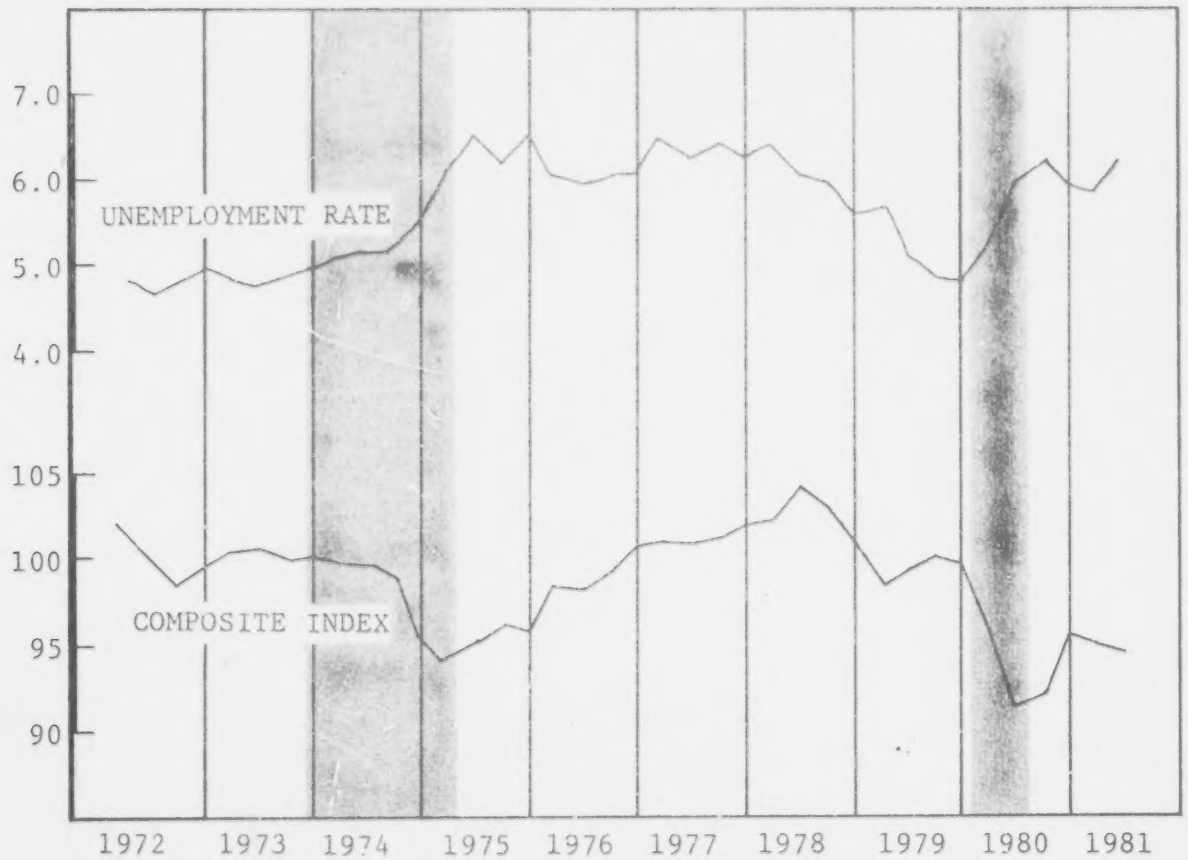
MONTANA ECONOMIC INDICATORS

Second Quarter 1981



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MONTANA
ECONOMIC INDICATORS

AN ANALYSIS OF PAST AND PRESENT ECONOMIC TRENDS

STATE OF MONTANA

TED SCHWINDEN, GOVERNOR

DEPARTMENT OF LABOR AND INDUSTRY
DAVID L. HUNTER, COMMISSIONER

EMPLOYMENT SECURITY DIVISION

RESEARCH AND ANALYSIS SECTION
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Volume VIII Number 2

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Bureau of Business and Economic Research, University of Montana

Board of Oil and Gas Conservation

U. S. Department of Agriculture Statistical Reporting Service

Federal Reserve System - 9th Federal District

Bureau of Reclamation

Bonneville Power Administration

Montana Dakota Utilities

Montana Power Company

Pacific Power and Light

Mountain Bell Telephone Company

Business Week

Employment, Hours and Earnings, and Labor Turnover data produced in cooperation with U. S. Department of Labor, Bureau of Labor Statistics, and the Employment and Training Administration.

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DEFINITIONS

Seasonal Adjustment- A mathematical procedure in which average seasonal fluctuations are removed from the origional data leaving a time series that may be analyzed for underlying trends. Seasonal adjustment will be designated by the terms seasonally adjusted, adjusted, or adj.. All indicators are seasonally adjusted unless noted, in which case the origional data is presented and designated by the terms not seasonally adjusted, raw data, unadjusted, or unadj.

Economic Indicators- Statistical time series whose cyclical characteristics are known and fairly stable, particularly in the timing of their cyclical peaks and troughs relative to business cycles turns. Economic Indicators are used for the interpretation of past, current, and anticipation of prospective business conditions.

Business Cycles--Sequences of expansions and contractions of aggregate economic activity such as production, employment, income, and trade are defined as business cycles.

Leading Indicator- An economic time series that tends to reverse direction sufficiently in advance of changes in the business cycle.

Coinciding Indicator- An economic time series that parallels changes in the business cycle.

Lagging Indicator- An economic time series that reverses direction after that of the business cycle.

Selected Indicator- An economic time series whose timing to business cycles is unknown, but is of interest to Montana's economy.

Index- Any economic time series which indicates change in a factor from a reference year. The reference year is designated as 100 in this publication and may be selected arbitrarily. All indexes in this publication will designate the year selected, such as 1967 = 100; 1972 = 100, etc.

Montana Composite Index- A composite of six indicators of employment and economic activity: Building Permits, Manufacturing Employment: Average Weekly Hours in Manufacturing, Average Weekly Initial Claims, Accession Rate in Manufacturing, and Layoff rate in Manufacturing. A reverse trend has been used for the Layoff Rate and Average Weekly Initial Claims. The components are converted to a series of standardized changes and weights according to their significance and reliability as economic indicators in making the composite, indexed to 1972 = 100.

Real Spendable Earnings- Real spendable average weekly earnings of private nonagricultural production workers represents the earnings of a hypothetical worker after deductions for State Income, Federal Income, and Social Security taxes, and adjustment for change in purchasing power since 1967. This individual is assumed to be the sole support for a family of four, earn the average weekly gross earnings of production workers in Montana's private non-agricultural industries, and take standard tax tables. Purchasing power was adjusted by deflating Spendable Earnings based on the national ALL Items Consumer Price Index.

A NOTE ABOUT BENCHMARKING AND SEASONAL ADJUSTMENT CHANGES

Because of new benchmarks and new seasonal adjustment factors, some of the series in this publication have been changed to take into account the latest information available. 1980 benchmarks, which reflect the most recent and complete estimates of employment, account for revisions to indicators dealing with total and industry detailed employment. These benchmark levels are revised annually to adjust for sampling errors and any changes to industrial classifications. In addition, all of those series requiring seasonal adjustment have also been revised to reflect the most recent seasonal adjustment factors. Changes in these seasonal series can be attributed to the inclusion of 1980 data in the BLS seasonal adjustment method.

All numbers used in this publication are seasonally adjusted.

SECOND QUARTER ANALYSIS: 1981

Montana's Economic Indicators during the second quarter, 1981 were less favorable than the first quarter. Nearly two-thirds of the leading, coinciding and selected indicators registered negative movement, yet they are somewhat better in comparison to the second quarter, 1980.

The manufacturing accession rate, a leading indicator, recorded considerable movement. It rose by a monthly average of 1.5 per 100 employees. Other leading indicators reflecting some favorable movement are the manufacturing layoff rate, new business telephones, and withdrawals and dissolutions of corporations.

Total building permits dropped from an average of 584 per month to 353 per month during April, May, and June, 1981. Manufacturing average weekly hours dropped from an average of 42.2 per month to 41.7. This compares to average weekly hours of 42.5 for the second quarter, 1980.

The coinciding indicators, an economic time series which parallels changes in the business cycle, registered only two of seven indicators with positive movement. The manufacturing electric power sales index rose from an average of 128.3 during the first quarter to 134.1 during the second quarter. Commercial-industrial electric power sales reflected only a slight increase during the second quarter.

New car registrations recorded a considerable decline when total registrations dropped from 2,374 per month to 1,856 per month. The average monthly unemployment rate rose from 5.9% in January, February and March, to 6.3%

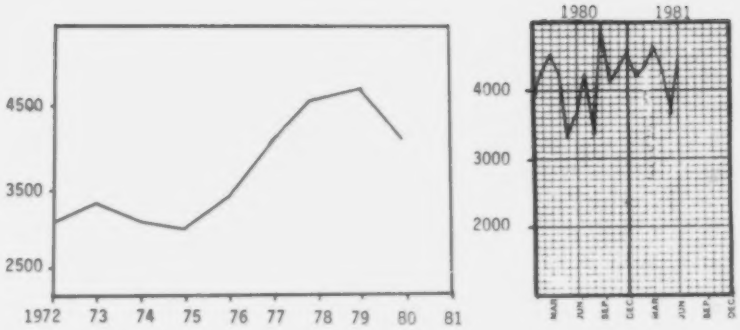
during the second three months of 1981. This compares to an average monthly rate of 6.0% during the second quarter of 1980.

Under the selected indicators, personal income is running at an average of $12.7 million per month less than the 1980 monthly average. The first quarter reported $580.7 million per month in personal income, while the 1980 average was $593.4 million.

The number of oil and gas wells completed continues to grow in 1981. The total number of wells completed jumped from 264 during the first quarter to 338 during the second quarter. This compares to 202 wells completed during the second quarter of 1980. Natural gas withdrawals and oil produced also registered increases over the first quarter, while oil refined and taxable gallons of gasoline reflected negative movement.

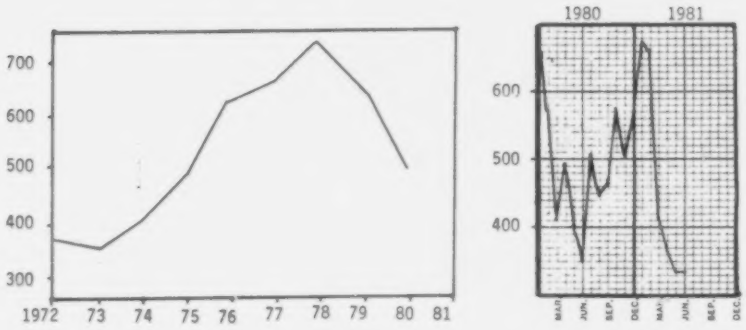
TOTAL NON-AGRICULTURAL PLACEMENTS

	1980	1981
January	3983	4224
February	4270	4352
March	4525	4684
April	4259	4221
May	3337	3656
June	3649	4469
July	4243	
August	3394	
September	4999	
October	4146	
November	4335	
December	4538	



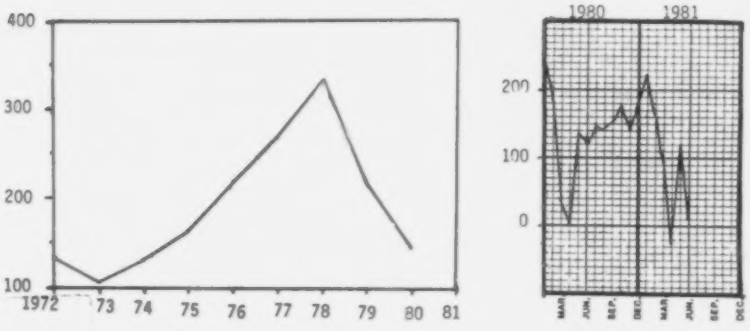
TOTAL NUMBER OF BUILDING PERMITS

	1980	1981
January	657	676
February	571	661
March	411	414
April	494	367
May	403	346
June	351	346
July	507	
August	447	
September	465	
October	575	
November	506	
December	557	



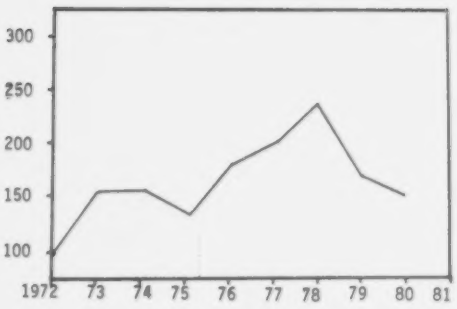
NUMBER OF RESIDENTIAL BUILDING PERMITS

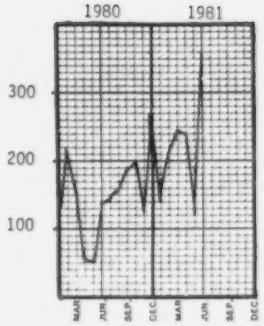
	1980	1981
January	234	221
February	184	163
March	39	95
April	4	-24
May	135	117
June	121	11
July	148	
August	143	
September	153	
October	177	
November	145	
December	174	



NEW BUSINESS TELEPHONES

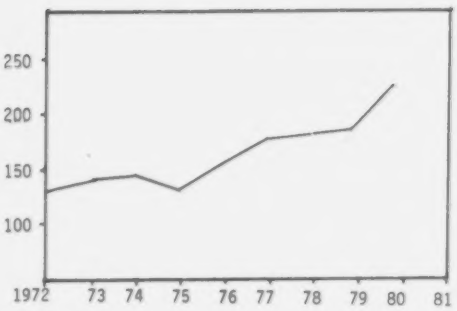
	1980	1981
January	135	141
February	218	213
March	154	245
April	58	238
May	53	122
June	138	359
July	145	
August	159	
September	185	
October	197	
November	124	
December	267	

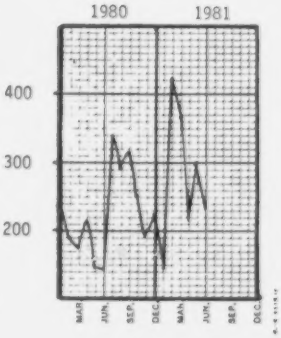




NEW CORPORATIONS

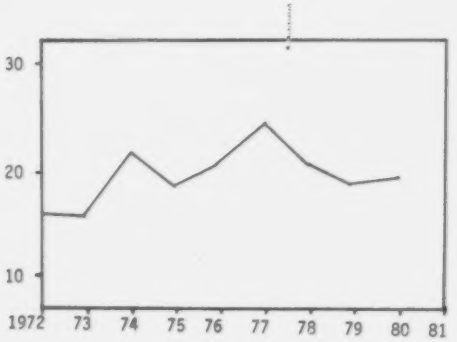
	1980	1981
January	227	145
February	190	422
March	176	366
April	216	217
May	146	300
June	145	235
July	339	
August	294	
September	316	
October	251	
November	194	
December	225	

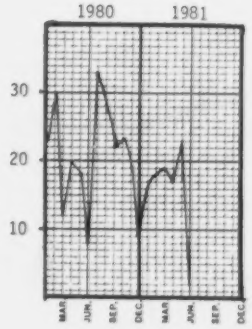




WITHDRAWALS AND DISSOLUTIONS OF CORPORATIONS

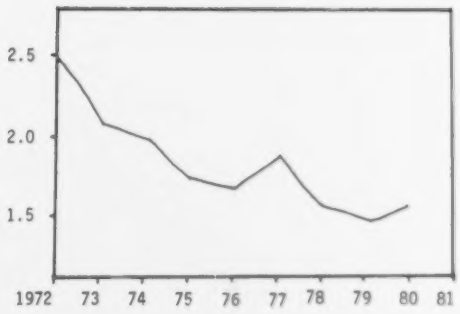
	1980	1981
January	21	16
February	30	18
March	12	19
April	20	17
May	18	23
June	8	2
July	33	
August	28	
September	22	
October	23	
November	19	
December	9	

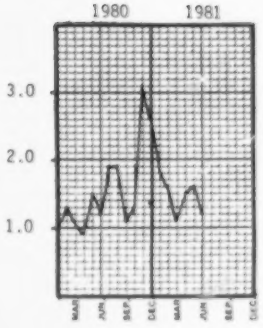




MANUFACTURING QUIT RATE (PER 100 EMPLOYEES)

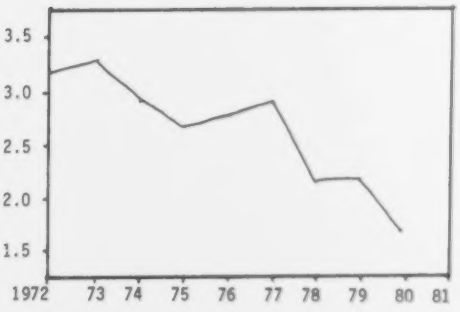
	1980	1981
January	1.0	1.8
February	1.3	1.6
March	1.1	1.1
April	.9	1.5
May	1.5	1.6
June	1.2	1.2
July	1.9	
August	1.9	
September	1.1	
October	1.3	
November	3.1	
December	2.6	

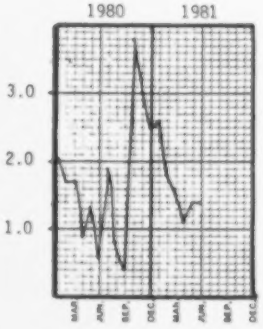




NEW HIRES IN MANUFACTURING (PER 100 EMPLOYEES)

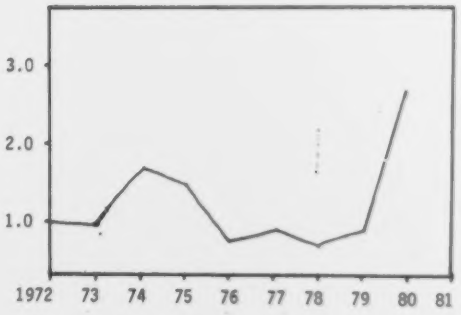
	1980	1981
January	2.0	2.6
February	1.7	1.8
March	1.7	1.5
April	1.0	1.1
May	1.4	1.4
June	.6	1.4
July	1.9	
August	.8	
September	.4	
October	3.8	
November	3.1	
December	2.6	

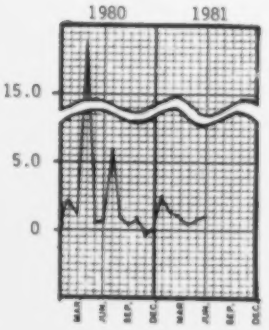




MANUFACTURING LAYOFF RATE (PER 100 EMPLOYEES)

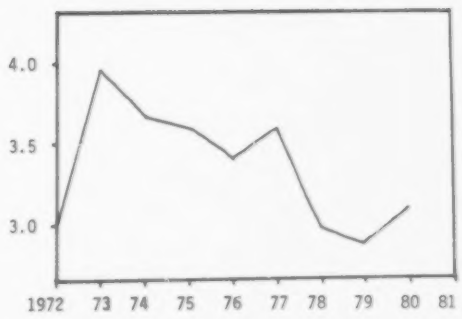
	1980	1980
January	.3	2.5
February	2.2	1.4
March	1.3	1.2
April	18.8	.6
May	.5	.8
June	.7	1.2
July	5.9	
August	1.0	
September	.4	
October	.8	
November	-.3	
December	.1	

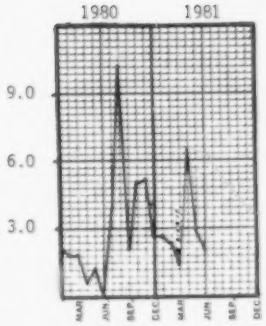




MANUFACTURING ACCESSION RATE (PER 100 EMPLOYEES)

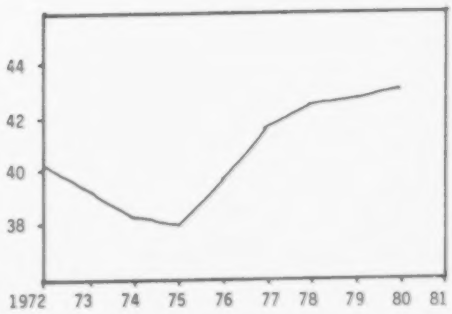
	1980	1981
January	2.0	2.6
February	1.9	2.4
March	1.9	1.6
April	.7	6.5
May	1.3	2.9
June	0.0	2.0
July	3.8	
August	10.8	
September	2.2	
October	5.0	
November	5.2	
December	2.7	

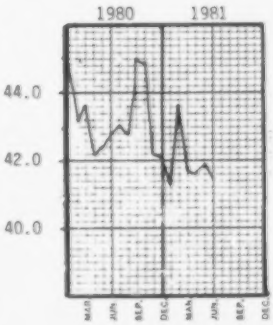




MANUFACTURING AVERAGE WEEKLY HOURS

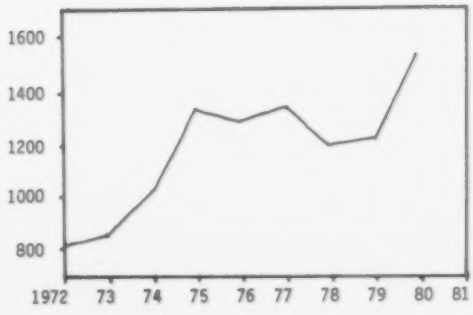
	1980	1981
January	44.8	41.3
February	43.2	43.6
March	43.6	41.7
April	42.2	41.6
May	42.5	41.9
June	42.8	41.5
July	43.0	
August	42.8	
September	45.0	
October	44.9	
November	42.2	
December	42.1	

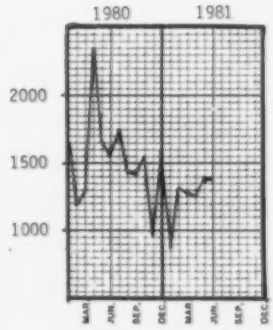




AVERAGE WEEKLY INITIAL CLAIMS

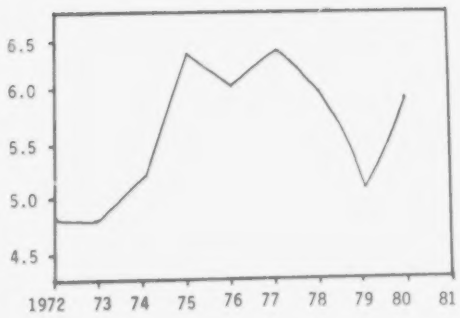
	1980	1981
January	1640	883
February	1197	1314
March	1299	1276
April	2346	1260
May	1659	1385
June	1551	1389
July	1749	
August	1443	
September	1435	
October	1540	
November	975	
December	1588	

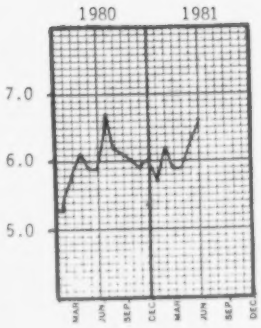




UNEMPLOYMENT RATE (PERCENT)

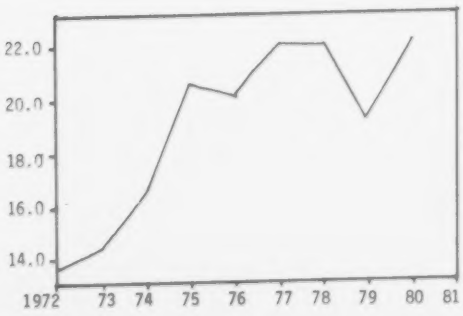
	1980	1981
January	5.3	5.7
February	5.3	6.2
March	5.8	5.9
April	6.1	5.9
May	5.9	6.3
June	5.9	6.6
July	6.7	
August	6.2	
September	6.1	
October	6.0	
November	5.9	
December	6.0	

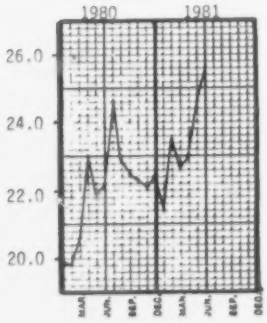




UNEMPLOYMENT TOTAL (IN THOUSANDS)

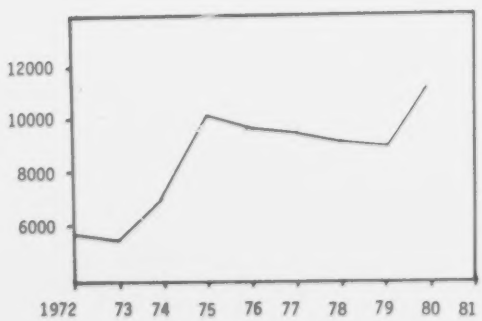
	1980	1981
January	19.9	21.4
February	19.8	23.5
March	20.6	22.7
April	23.0	23.0
May	21.9	24.7
June	22.1	25.6
July	24.6	
August	22.9	
September	22.5	
October	22.3	
November	22.1	
December	22.4	

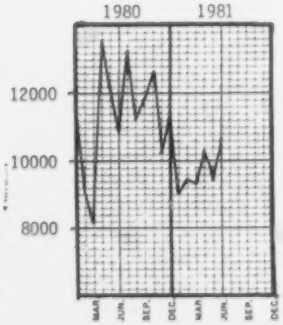




AVERAGE WEEKLY INSURED UNEMPLOYED

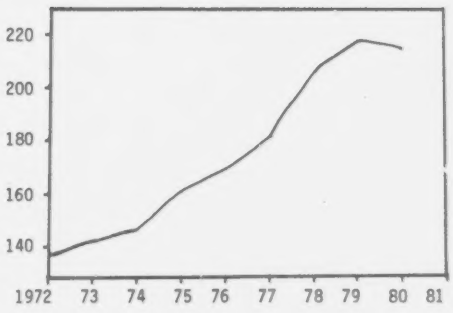
	1980	1981
January	11063	9040
February	9304	9423
March	8182	9391
April	13547	10322
May	12164	9466
June	10865	10635
July	13275	
August	11241	
September	11816	
October	12632	
November	10217	
December	11275	

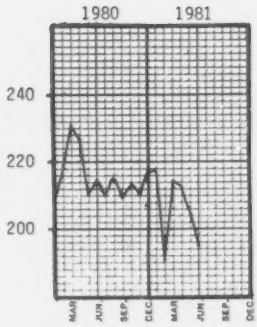




RESIDENTIAL ELECTRICAL POWER SALES INDEX (1967=100)

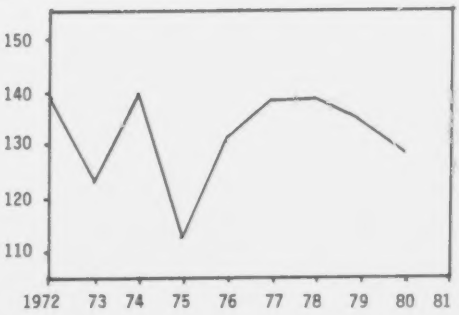
	1980	1981
January	211.3	217.8
February	219.2	190.8
March	231.0	214.4
April	227.3	212.1
May	210.7	204.3
June	214.8	195.3
July	210.1	
August	215.5	
September	209.8	
October	213.6	
November	210.1	
December	217.3	

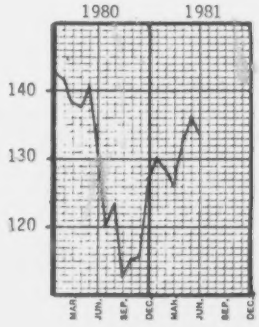




MANUFACTURING ELECTRICAL POWER SALES INDEX (1967=100)

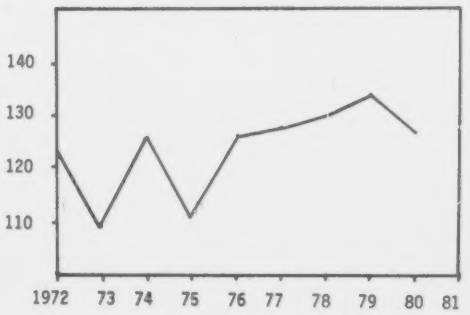
	1980	1981
January	142.8	130.1
February	141.8	128.8
March	138.3	126.1
April	137.9	132.5
May	140.9	136.1
June	131.1	133.9
July	120.1	
August	123.5	
September	112.9	
October	115.2	
November	115.9	
December	127.2	

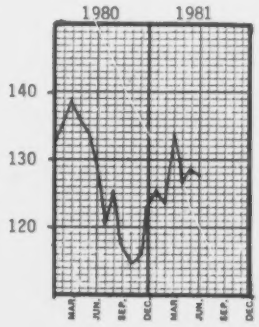




COMMERCIAL-INDUSTRIAL ELECTRICAL POWER SALES INDEX (1967=100)

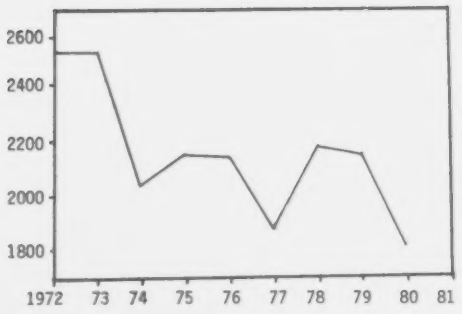
	1980	1981
January	132.9	125.5
February	135.5	123.5
March	138.7	133.5
April	135.9	126.6
May	134.0	128.8
June	129.1	127.9
July	120.5	
August	125.3	
September	117.4	
October	114.9	
November	115.8	
December	123.0	

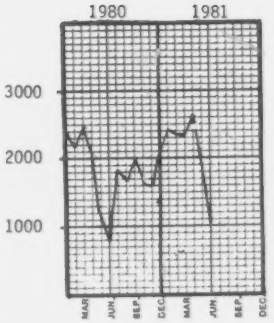




NEW CAR REGISTRATIONS

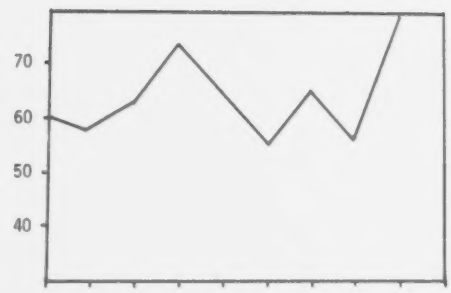
	1980	1981
January	2335	2416
February	2207	2351
March	2427	2355
April	2109	2619
May	1224	1907
June	791	1041
July	1801	
August	1682	
September	1962	
October	1600	
November	1591	
December	2018	

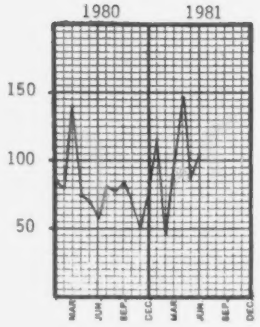




OIL AND GAS WELLS COMPLETED

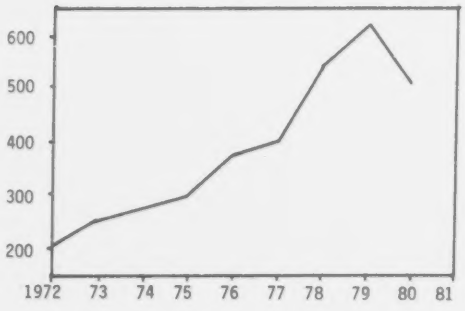
	1980	1981
January	86	116
February	80	46
March	140	102
April	74	147
May	70	87
June	58	104
July	82	
August	77	
September	84	
October	69	
November	51	
December	79	

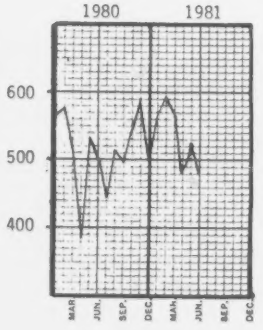




HELP WANTED ADVERTISING (FROM 5 MAJOR CITY DAILIES)

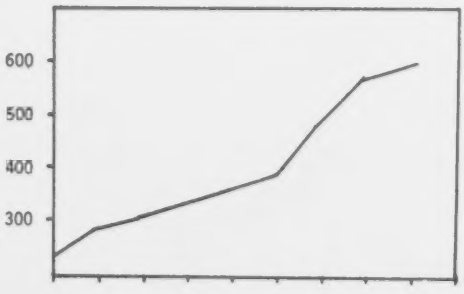
	1980	1981
January	567	564
February	577	592
March	514	563
April	384	484
May	531	525
June	508	481
July	445	
August	512	
September	497	
October	544	
November	588	
December	505	

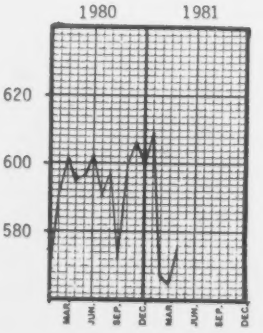




MONTANA PERSONAL INCOME (IN MILLION DOLLARS)

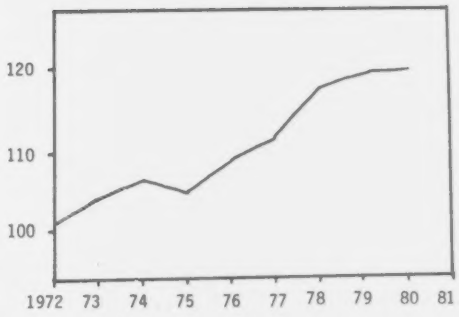
	1980	1981
January	569.3	609.3
February	591.8	567.8
March	601.1	565.1
April	595.3	575.3
May	596.5	
June	602.3	
July	590.2	
August	597.5	
September	572.0	
October	599.0	
November	606.2	
December	600.1	

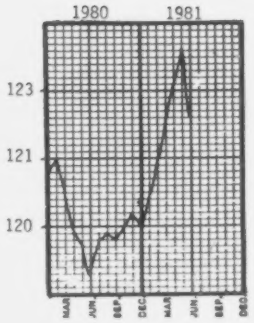




NONAGRICULTURAL EMPLOYMENT INDEX
U.S.: 1972=100

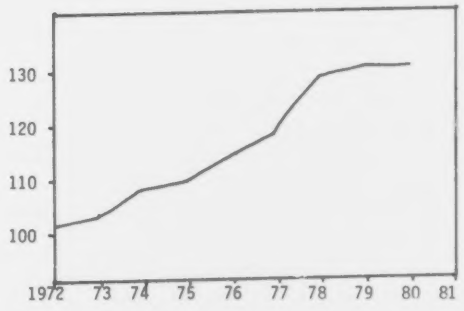
	1980	1981
January	120.8	120.5
February	121.0	121.0
March	120.5	121.6
April	120.0	122.1
May	119.7	122.6
June	119.3	121.6
July	119.8	
August	119.9	
September	119.8	
October	120.0	
November	120.2	
December	120.0	

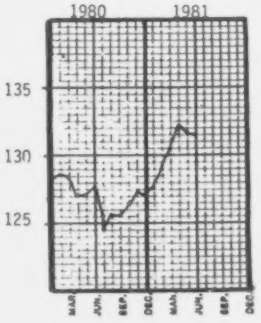




NONAGRICULTURAL EMPLOYMENT INDEX
MONTANA: 1972=100

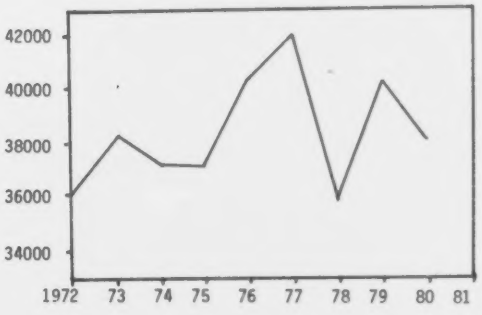
	1980	1981
January	128.4	127.8
February	128.6	129.4
March	128.4	130.7
April	127.1	132.2
May	127.2	131.5
June	127.7	131.5
July	124.6	
August	125.5	
September	125.5	
October	126.5	
November	127.4	
December	127.1	

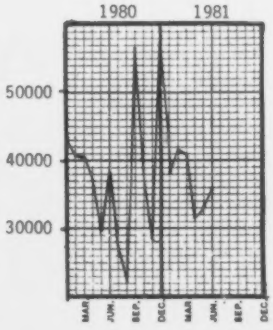




TAXABLE GALLONS GASOLINE
(THOUSAND GALLONS)

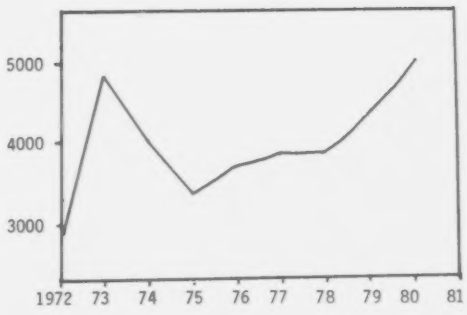
	1980	1981
January	43351	38162
February	40752	41891
March	40230	40972
April	37129	31894
May	29968	33016
June	38446	35970
July	26764	
August	22306	
September	56853	
October	38669	
November	28400	
December	57612	

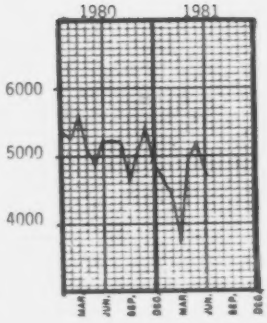




NATURAL GAS WITHDRAWLS (MILLION CU.FT.)

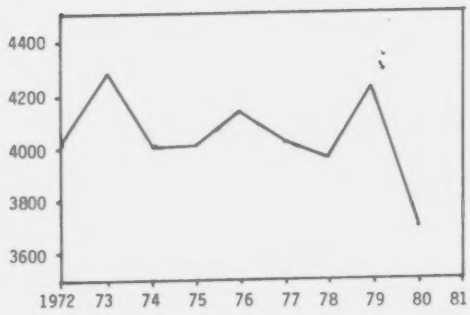
	1980	1981
January	5350	4665
February	5280	4499
March	5603	3763
April	5176	4903
May	4878	5198
June	5214	4749
July	5222	
August	5212	
September	4647	
October	5050	
November	5442	
December	4930	

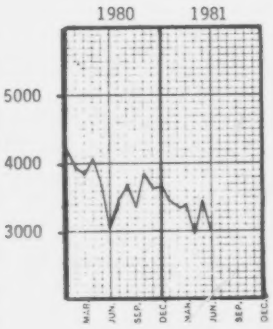




OIL REFINED (THOUSAND BARRELS)

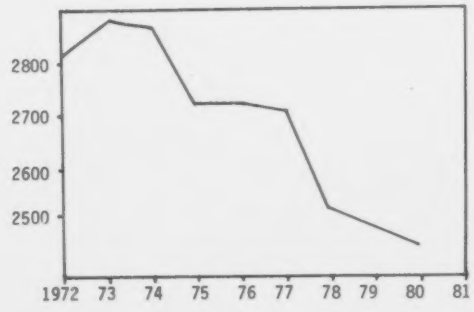
	1980	1981
January	4249	3468
February	3932	3380
March	3865	3395
April	4053	2992
May	3677	3448
June	3071	3037
July	3466	
August	3694	
September	3384	
October	3822	
November	3660	
December	3652	

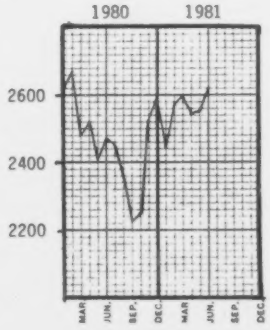




OIL PRODUCTION (THOUSAND BARRELS)

	1980	1981
January	2620	2445
February	2668	2576
March	2479	2599
April	2520	2542
May	2411	2559
June	2466	2618
July	2448	
August	2362	
September	2232	
October	2253	
November	2525	
December	2583	





EMPLOYMENT IN MONTANA'S INDUSTRIAL SECTORS: 2ND QUARTER 1981

Montana's nonagricultural wage and salary employment registered a 1,800 decline during the second quarter of 1981. Average monthly employment during the second three months was 285,700 compared to 282,700 for the same period in 1980. Three industries accounted for a decrease of 3,600 employees.

Contract construction dropped from 16,000 employees to 14,600 employees in the second quarter. The service industry had nearly the same change, as it fell by 1,200 employees to 57,000. Other significant declines in employment include a decrease of 500 in wholesale and retail trade employment, due to retail trade employment dropping from 55,400 to 54,400 between April and June.

The mining industry began to reflect signs of growth in the second quarter as it added 600 employees. An average of 8,700 compares to 8,100 for the first three months of the year. Manufacturing and the lumber and wood products industry both grew by about 400 employees. The lumber and wood products industry totaled 9,800 employees during the second quarter, 1981 compared to 7,800 in the same period of 1980.

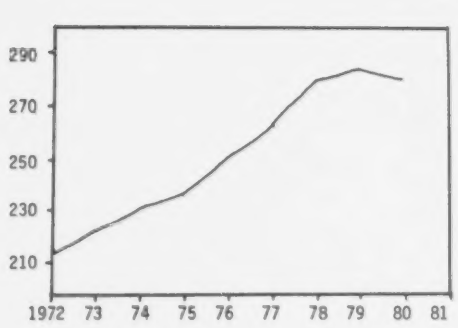
Finance, insurance and real estate registered very little change in employment, as did government. A decrease of 200 was noted in the transportation and public utilities industry when it dropped from 24,000 employees to 23,800. This compares to employment of 23,100 in the second quarter of 1980.

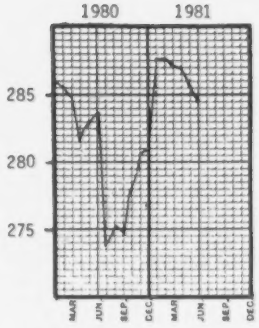
Nonagricultural wage and salary employment can be expected to fall somewhat during the third quarter as summer time activity begins to slow down in most industrial sectors.

INDUSTRIAL EMPLOYMENT

NONAGRICULTURAL WAGE AND SALARY (IN THOUSANDS)

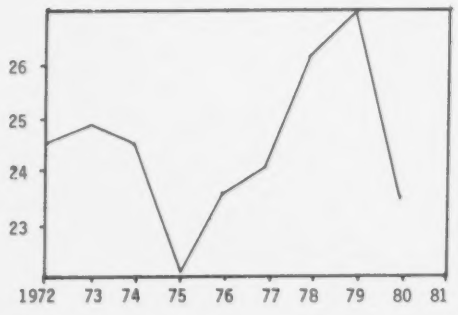
	1980	1981
January	285.9	287.6
February	285.4	287.7
March	284.8	287.1
April	281.6	287.0
May	282.9	285.7
June	283.6	284.5
July	273.8	
August	275.2	
September	274.7	
October	277.8	
November	280.5	
December	280.8	

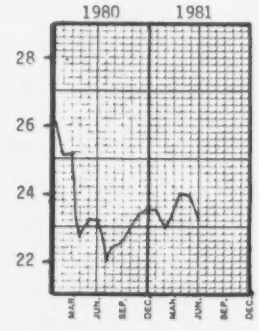




MANUFACTURING EMPLOYMENT (IN THOUSANDS)

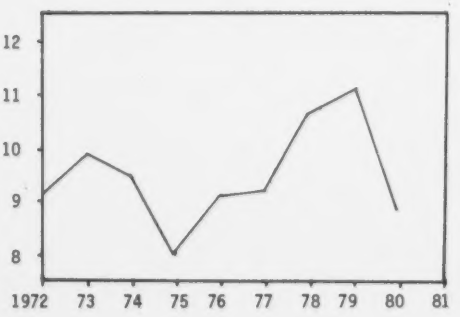
	1980	1981
January	26.1	23.5
February	25.1	23.0
March	25.1	23.4
April	22.7	24.0
May	23.2	23.9
June	23.2	23.3
July	22.0	
August	22.5	
September	22.6	
October	23.1	
November	23.4	
December	23.5	

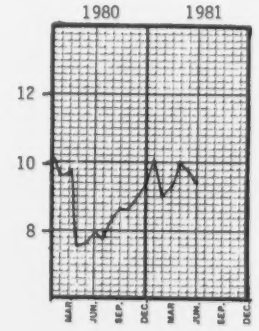




LUMBER AND WOOD PRODUCTS (IN THOUSANDS)

	1980	1981
January	10.2	10.1
February	9.7	9.0
March	9.8	9.3
April	7.6	10.0
May	7.7	9.8
June	8.0	9.5
July	7.8	
August	8.4	
September	8.7	
October	8.7	
November	9.1	
December	9.3	

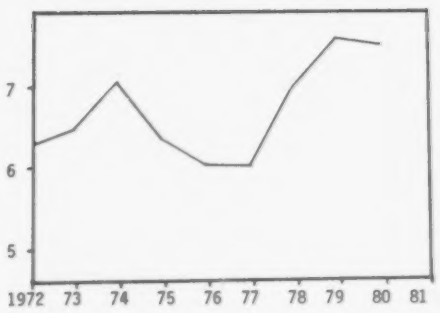


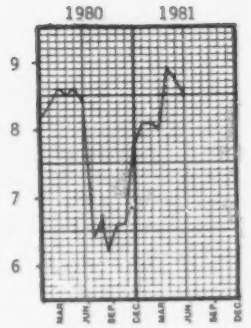


INDUSTRIAL EMPLOYMENT

MINING
(IN THOUSANDS)

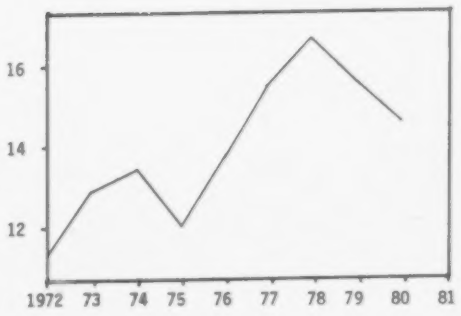
	1980	1981
January	8.4	8.1
February	8.4	8.1
March	8.6	8.0
April	8.5	8.9
May	8.6	8.7
June	8.4	8.5
July	6.4	
August	6.7	
September	6.2	
October	6.6	
November	6.6	
December	7.7	

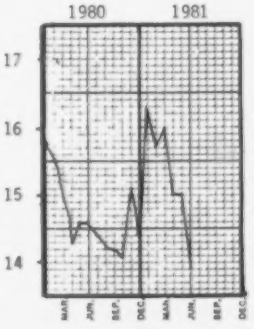




CONTRACT CONSTRUCTION
(IN THOUSANDS)

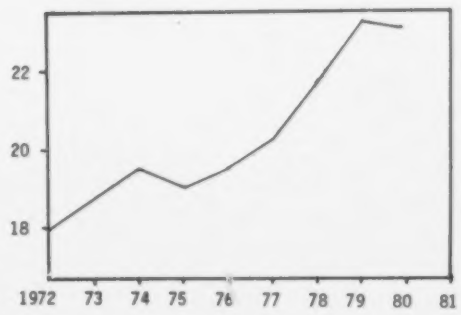
	1980	1981
January	15.8	16.3
February	15.5	15.7
March	15.0	16.0
April	14.3	15.9
May	14.6	15.0
June	14.6	13.8
July	14.4	
August	14.3	
September	14.2	
October	14.1	
November	15.1	
December	14.4	

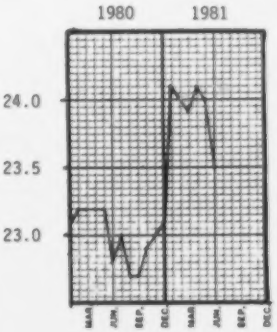




TRANSPORTATION AND PUBLIC UTILITIES
(IN THOUSANDS)

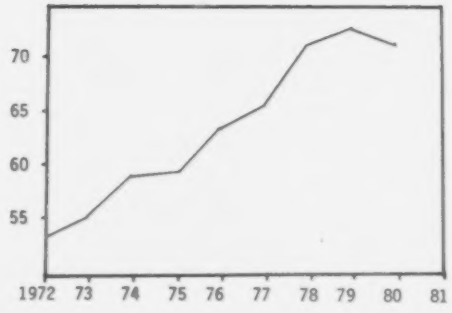
	1980	1981
January	23.1	24.1
February	23.2	24.0
March	23.2	23.9
April	23.2	24.1
May	23.2	24.0
June	22.8	23.4
July	23.0	
August	22.7	
September	22.7	
October	22.9	
November	23.0	
December	23.1	

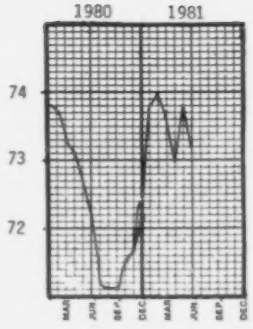




WHOLESALE AND RETAIL TRADE (IN THOUSANDS)

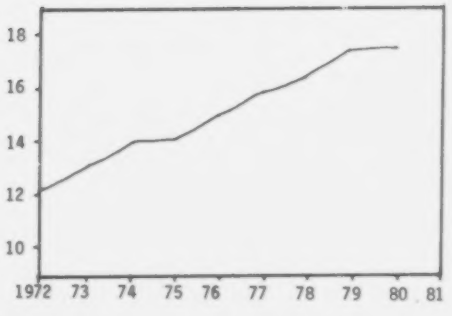
	1980	1981
January	73.8	73.8
February	73.7	74.0
March	73.3	73.6
April	73.1	73.0
May	72.7	73.8
June	72.1	73.2
July	71.2	
August	71.1	
September	71.1	
October	71.5	
November	71.7	
December	72.1	

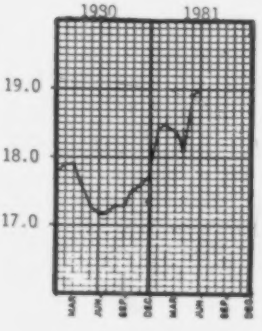




WHOLESALE TRADE (IN THOUSANDS)

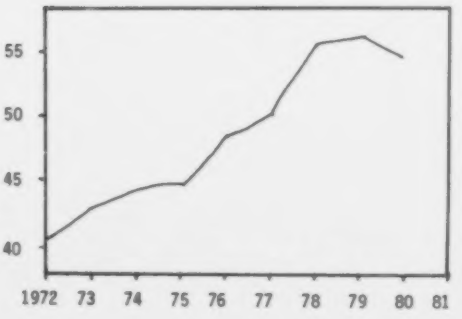
	1980	1981
January	17.8	18.4
February	17.9	18.5
March	17.9	18.4
April	17.6	18.1
May	17.3	18.9
June	17.2	19.0
July	17.2	
August	17.3	
September	17.3	
October	17.5	
November	17.6	
December	17.7	

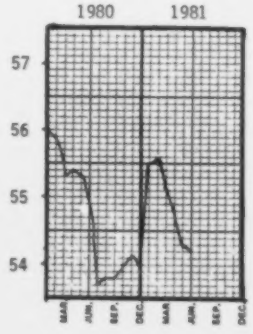




RETAIL TRADE (IN THOUSANDS)

	1980	1981
January	56.0	55.5
February	55.8	55.6
March	55.3	55.1
April	55.4	54.8
May	55.3	54.3
June	54.9	54.2
July	53.7	
August	53.8	
September	53.8	
October	54.0	
November	54.1	
December	54.0	

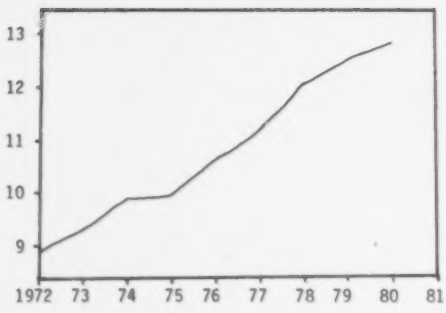


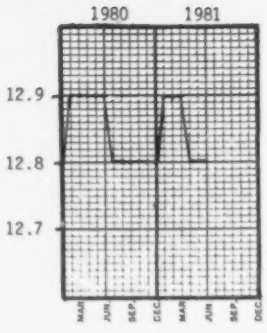


INDUSTRIAL EMPLOYMENT

FINANCE, INSURANCE & REAL ESTATE (IN THOUSANDS)

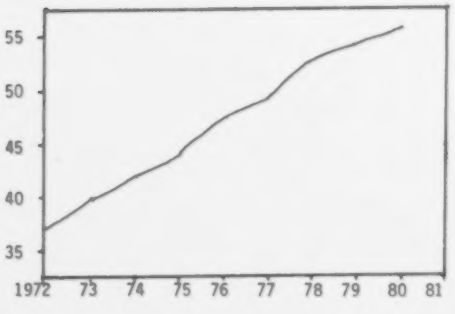
	1980	1981
January	12.8	12.9
February	12.9	12.9
March	12.9	12.9
April	12.9	12.8
May	12.9	12.8
June	12.9	12.8
July	12.8	
August	12.8	
September	12.8	
October	12.8	
November	12.8	
December	12.8	

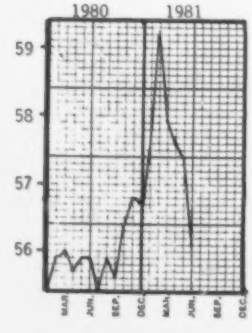




SERVICES (IN THOUSANDS)

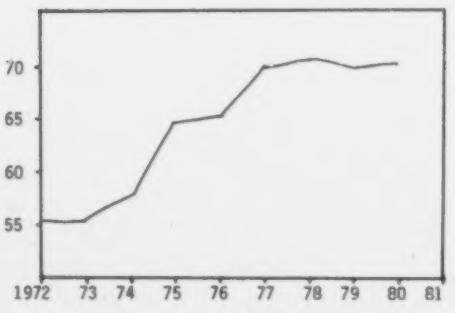
	1980	1981
January	55.4	57.5
February	55.9	59.2
March	56.0	57.9
April	55.7	57.6
May	55.9	57.8
June	55.9	56.1
July	55.4	
August	55.9	
September	55.6	
October	56.4	
November	56.8	
December	56.7	

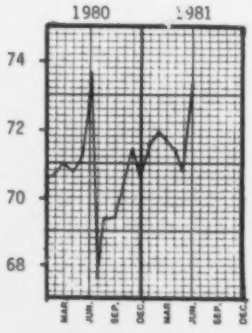




GOVERNMENT (IN THOUSANDS)

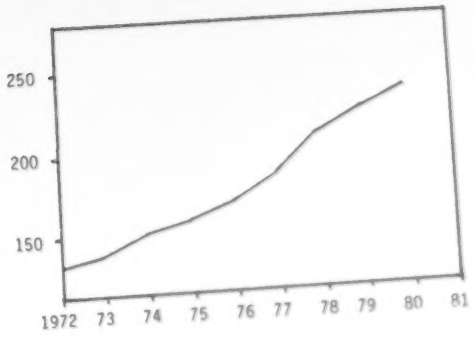
	1980	1981
January	70.6	71.6
February	70.8	71.9
March	71.0	71.7
April	70.8	71.4
May	71.2	70.8
June	73.8	73.3
July	67.6	
August	69.4	
September	69.4	
October	70.6	
November	71.4	
December	70.7	

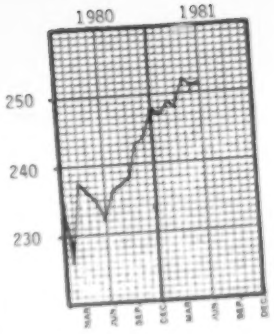




GROSS WEEKLY EARNINGS (IN DOLLARS)

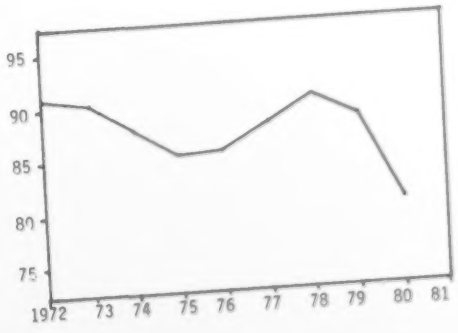
	1980	1981
January	234.61	247.32
February	226.33	248.84
March	237.50	248.00
April	236.05	252.11
May	235.67	251.00
June	232.36	251.53
July	236.29	
August	237.30	
September	238.29	
October	243.05	
November	243.99	
December	247.86	

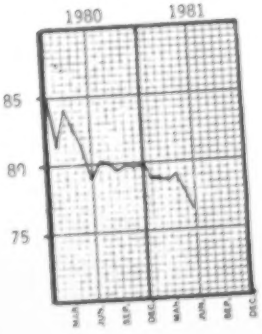




REAL WEEKLY SPENDABLE EARNINGS (IN DOLLARS)

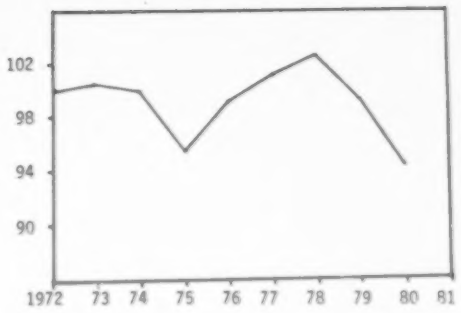
	1980	1981
January	84.82	78.89
February	81.40	78.78
March	84.12	78.64
April	82.52	79.03
May	81.39	77.81
June	78.93	76.56
July	80.28	
August	80.01	
September	79.50	
October	79.85	
November	79.79	
December	79.98	

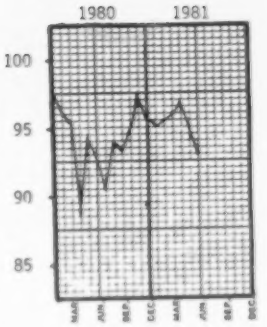




MONTANA
COMPOSITE INDEX
(1972=100)

	1980	1981
January	97.2	95.1
February	96.2	95.4
March	95.4	95.9
April	88.6	96.8
May	94.3	94.8
June	92.6	93.0
July	90.4	
August	93.9	
September	93.3	
October	95.0	
November	97.4	
December	95.5	





MARGINAL EMPLOYMENT
ADJUSTMENT INDEX
(1972=100)

	1980	1981
January	92.8	94.2
February	92.9	94.8
March	93.0	94.5
April	88.1	96.7
May	94.7	94.3
June	92.8	92.8
July	90.8	
August	94.5	
September	93.3	
October	94.1	
November	96.9	
December	94.2